



ADVIK LABORATORIES LIMITED

Dated: 31st December, 2020

To,

**The Manager (Listing),
BSE Limited,
1st Floor, P. J. Towers,
Dalal Street, Mumbai – 400001**

Subject: Submission of Adopted Annual Report for the Financial Year 2019-20

Ref: Scrip Code BSE - 531686

Dear Sir,

Please find enclosed herewith the Annual Report for the Financial Year 2019-20, duly approved and adopted by the shareholders in the Annual General Meeting held on 24th December, 2020.

Further, as per the requirement of BSE Circular No. LIST/COMP/40/2018-19 dated February 08, 2019 w.r.t. Filing of Annual Report in XBRL Mode, we wish to inform you that the same shall be uploaded at BSE listing portal simultaneously at the time of Annual filing with Registrar of Companies.

We hope that you will find the above in order.

Kindly take the above information on your records.

**Thanking You,
Yours Truly,**

For Advik Laboratories Limited


**Pooja Chuni
Company Secretary**



CC:

**The Manager (Listing),
Ahmedabad Stock Exchange Limited
1st Floor, Kamdhenu Complex,
Opp. Sahajanand College,
Panjara Pole, Ambawadi, Ahmedabad – 380015**

CIN No. : L74899HR1994PLC038300

Corporate Office : 703, Arunachal building 19, Barakhamba Road, Connaught Place, New Delhi 110001

Phones: 011-42424884, 43571040-45, **Fax:** 011-43571047

Regd. Office & Factory: 138. ROZ-Ka Meo Industrial Area, Sohna - 122103 (Distt.Mewat), Haryana

Phones: 0124-2362471 **Email:** mail@advikindia.com **Website:** www.advikindia.com



**26th Annual Report
2019-2020**

**ADVIK
LABORATORIES
LIMITED**

Corporate Information**BOARD OF DIRECTORS**

Mr. Peeyush Kumar Aggarwal
Mr. Manoj Kumar Jain
Ms. Madhu Sharma
Mr. Ram Niwas Sharma

Managing Director (DIN : 00090423)
Independent Director (DIN : 01887411)
Independent Director (DIN : 06947852)
Non Independent Director (DIN : 08427985)

COMPANY SECRETARY

Ms. Pooja Chuni
Company Secretary

CHIEF FINANCIAL OFFICER

Mr. Manoj Kumar Bhatia
Chief Financial Officer (CFO)

AUDITORS

M/s RMA & Associates, LLP
Chartered Accountants
(Firm Registration No. 000978N/N500062)

BANKERS

Bank of Baroda, New Delhi
State Bank of India, Sohna, Gurgaon
Indian Overseas Bank, New Delhi
HDFC Bank, New Delhi

REGISTRAR & SHARE TRANSFER AGENTS

MAS Services Limited
SEBI Registration No. INR000000049
T-34, IInd Floor, Okhla Industrial Area, Phase II,
Delhi - 110020
New Delhi -110 062
Tel: 91-11-26387281
Fax: 91-11-26387384
E-mail: info@masserv.com
Website: www.masserv.com

CORPORATE OFFICE:

703, Arunachal Building, 19
Barakhamba Road, Connaught Place,
New Delhi-110 001(INDIA)
Tel No.: 91-11-43571040-45
FAX : 91-11-42424884
E-Mail: mail@advikindia.com
Website: www.advikindia.com

REGISTERED OFFICE & PLANT:

138, Roz-Ka-Meo, Industrial Area,
Sohna, Distt. -Mewat (Haryana) INDIA
Tel. No.: 0124-2362471,+91-9813179885

CIN: L74899HR1994PLC038300

Notice

Notice is hereby given that the 26th (Twenty Sixth) Annual General Meeting of the Members of **ADVIK LABORATORIES LIMITED** will be held on Thursday, 24th December, 2020 at 09:30 A.M. at its Registered Office at 138, Roz- Ka - Meo, Industrial Area Sohna, Distt. Mewat-122 103 (Haryana) INDIA to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the company including the Balance Sheet of the Company as at 31st March, 2020 and the Statement of Profit and Loss of the Company for the financial year ended 31st March, 2020 together with the Cash Flow Statement & other Annexure thereof and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ram Niwas Sharma (DIN: 08427985), who is liable to retire by rotation and being eligible, offers himself for re-appointment pursuant to the provisions of Section 152 of the Companies Act, 2013.

Special Business:

3. **Approval under Section 180(1)(a) of the Companies Act, 2013 for Sale or Lease or Otherwise Dispose Of the whole or substantially the whole of the Manufacturing Unit of the Company**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Memorandum and Articles of Association of the Company, and other applicable statutory provisions and regulations, if any, as amended from time to time, and subject to the necessary registrations, approvals, consents, permissions and sanctions required, if any, and/or other institutions or bodies, statutory authorities, and such conditions or modifications as may be prescribed by any of them while granting any such approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the powers conferred by this resolution), consent of the Members of the Company be and is hereby accorded, including confirmation of actions taken hitherto to the Board to sell, lease, transfer or otherwise dispose off the whole or substantially the whole of the pharmaceutical Manufacturing Unit of the Company situated at 138, Roz-ka-Meo, Industrial Area, Sohna, Dist. Mewat, Haryana 122103 ("Undertaking"), together with all specified tangible and intangible assets, including land, personnel / employees, plant and machinery and other assets in relation to the Undertaking but excluding its brand name, as a going concern / on a slump sale basis on an "as is where is" basis or in any other manner as the Board may deem fit in the interest of the Company, at such consideration/monthly rent as the Board may deem fit and appropriate in the best interests of the company and to such person/s in one or more tranches and on such terms and conditions and with such modification/s as may be required by any of the concerned Authorities or as the Board of the Company may deem fit and appropriate in the best interest of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive Agreements, deeds of assignment/conveyance/lease deed and other ancillary documents, with effect from such date and in such manner as is decided by the Board and to do all such other acts, deeds, matters and things as it may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale, lease and transfer of the Undertaking as the Board may in its absolute discretion deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/documents, arranging delivery and execution of contracts, deeds, agreements and instruments."

4. **Approval for Related Party Transaction under Section 188 of the Companies Act, 2013 and Regulation 23 Of SEBI (LODR) Regulations, 2015.**

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

“RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (including any amendment, modification or re-enactment thereof), and subject to such other approvals from such Authorities as may be required in this regard, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering any services from related parties or appointment of such related party to any office or place of profit in the company or its associate companies, if any or reimbursement of any transaction or any other transaction of whatever nature with related parties:

| Sr. No | Name of the Related Party | Relationship | Maximum Value of Transactions per annum with effect from April 01, 2020 (Rs. in lacs) |
|--------|--------------------------------|--|---|
| 1 | Mr. Peeyush Kumar Aggarwal | Director & Promoter of the Company | 50.00* |
| 2 | Omkam Global Capital Pvt. Ltd. | Mr. Peeyush Kumar Aggarwal, Director & Promoter of the Company is also a Director & Promoter of Omkam Global Capital Pvt. Ltd. | 500.00* |
| 3 | Omkam Developers Limited | Mr. Peeyush Kumar Aggarwal, Director & Promoter of the Company is also a Director & Promoter of Omkam Developers Limited. | 600.00* |

* Expected maximum annual value of transactions per related party over the year

RESOLVED FURTHER THAT the board of directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

5. **Consent of Members for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate**

To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution.

RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and SEBI (LODR) Regulations, 2015 and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as the Board may in its absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or

provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 10 Crores (Rupees Ten Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT in case of divestment of the investment, the Directors of the Company be and are hereby authorized to sign the necessary applications, papers, forms, documents etc. for effective implementation of decision of divestment taken by the Company from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

**For and on Behalf of the Board of Directors of
Advik Laboratories Ltd.**

**Sd/-
(Peeyush Kumar Aggarwal)
Chairman
DIN : 00090423**

**Date: 27th November, 2020
Place: New Delhi**

Notes:

1. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 (the Act), relating to the Special Business to be transacted at the meeting is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act proxy for any other person or member.
3. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send at the Registered Office of the Company, a duly certified copy of the Board Resolution, authorising their representative to attend and vote on their behalf at this General Meeting.
4. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to keep the information ready at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 18th day of December, 2020 to 24th day of December, 2020 (both days inclusive) for the purpose of the AGM.
6. **Members / Proxies should fill-in the attendance slip for attending the Meeting and bring their attendance slip along with their copy of the Annual Report to the Meeting.**
7. **In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.**
8. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
9. The members are requested to intimate changes, if any, in their registered address to the Registrar & Share Transfer Agents for shares held in physical form & to their respective Depository participants for shares held in electronic form.

10. All documents referred to in the accompanying Notice are opened for inspection at the Registered Office of the Company on all working days, except Sunday between 2 P.M. to 4 P.M. upto the date of the Annual General Meeting.
11. Members are requested :
 - i) To quote their folio Nos. in all correspondence.
 - ii) To note that no gifts will be distributed at the meeting.
 - iii) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. **Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.**
13. In terms of Section 72 of the Companies Act, 2013, a Member of the Company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form SH – 13 to the Company/RTA in case shares are held in Physical form, and to their respective depository participant, if held in electronic form.
14. ***Members/Promoters holding shares in demat form are requested to submit their Permanent Account Number (PAN), to their respective Depository Participant and those holding shares in physical form are requested to submit their PAN details to the company as well as to get their shares dematerialized. Pursuant to SEBI notification number SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018. Please note that as per the aforesaid SEBI's notification, the requests for effecting transfer of securities shall not be processed after 05th December, 2018 unless the securities are held in dematerialised form with a Depository. In view of the above all the shareholders holding shares in physical form are requested to open a de-mat A/c with a Depository participants and get their shares dematerialised. Necessary communication in this regard has already been sent separately to the shareholders by the company.***
15. ***Members/Promoters holding shares, of the Company in demat form shall provide the details of their Bank Account and E-mail Id to the RTA i.e. MAS Services Limited having registered office is T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020 and those holding shares in physical form will provide their Bank A/c details and E-mail Id to the Company. Necessary communication in this regard has already been sent separately to the shareholders by the company.***
16. Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the e-voting facility to the members to exercise their right to vote by electronic means. The Company has fixed 17th December, 2020 as a cut – off date to record the entitlement of the shareholders to cast their vote electronically at the 26th Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and rules thereunder. Consequently, the same cut-off date, i.e., 17th December, 2020 would record entitlement of the shareholders, who do not cast their vote electronically, to cast their vote at the 26th AGM on 24th December, 2020.

The e-voting period will commence at 9.00 A.M. on 21st December, 2020 and will end at 05.00 P.M. on 23rd December, 2020. The Company has appointed Mr. Kundan Agrawal (Membership No. FCS- 7631& CP No. 8325), Company Secretary in Practice to act as Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given as Annexure to the Notice.

The Company has engaged the services of **National Securities Depository Limited (NSDL)** as the Authorised Agency to provide remote e-voting facility.
17. ***The AGM will be held at the said venue by strictly adhering to the Social Distancing Norms and Other Safety Protocols including face masks, hand sanitization etc. as per the latest guidelines / advisories /SOP issued by the Ministry of Health & Family Welfare, Govt. of India and the State Govt. amid COVID-19 Pandemic.***

For and on Behalf of the Board of Directors of
Advik Laboratories Ltd.

Date: 27th November, 2020
Place: New Delhi

Sd/-
(Peeyush Kumar Aggarwal)
Chairman
DIN : 00090423

VOTING THROUGH ELECTRONIC MEANS

The procedure and instructions for e-voting as given in the Notice of the 26th Annual General Meeting are reproduced hereunder for easy reference:

- I. **In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**
 - a. Open e-mail and open PDF file viz. "Advik-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>. Or <https://www.evotingindia.com/>
 - c. Click on Shareholder-Login.
 - d. Put user ID and password as initial password noted in step (i) above. Click Login.
 - e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - g. Select "EVEN" of "Advik Laboratories Limited". The "EVEN" of Advik Laboratories Limited is "115085"
 - h. Now you are ready for remote e-voting as Cast Vote page opens.
 - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l. 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cskundanagerawal@gmail.com with a copy marked to mail@advikindia.com and evoting@nsdl.co.in.
- II. **In case of Members receiving Physical copy of Notice of 26th Annual General Meeting (for members whose e-mail IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)**
 - a. Initial password is provided in the box overleaf.
 - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
 - A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
 - B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 17th December, 2020.
 - E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., 17th December, 2020, may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, MAS Services Limited. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
 - F. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 - G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
 - H. Mr. Kundan Agrawal Practicing Company Secretary (Membership No. FCS -7631 & CP No. 8325), has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - I. The e-voting period will commence at 09.00 A.M. on 21st December, 2020 and will end at 05.00 P.M. on 23rd December, 2020.
 - J. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - K. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two

witnesses not in the employment of the Company and shall make, not later than Forty Eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- L. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.advikindia.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited and ASE Limited.
- M. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

**For and on Behalf of the Board of Directors of
Advik Laboratories Ltd.**

Date: 27th November, 2020
Place: New Delhi

**Sd/-
(Peeyush Kumar Aggarwal)
Chairman
DIN : 00090423**

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3:

The Company has availed financial assistance from Indian Overseas Banks since July 2007 and from time to time the credit facilities were renewed and/or enhanced. The Company for availing the credit facilities from Indian Overseas Bank mortgaged its property being 138, Roz-ka-Meo, Industrial Area, Sohna, Dist. Mewat, Haryana-122103. Apart from mortgaging the said property, the credit facility is also secured by way of corporate guarantee of Omkam Pharmaceuticals Pvt. Ltd, one of the promoters of the Company and personal Guarantee of Mr. Peeyush Kumar Aggarwal, Promoter and Director of the Company.

The company's revenues started to decline from the FY 2015-16, as is evident from the financial statements, because of which the company started facing cash crunch, consequently the company could not service its debts to Indian Overseas Bank and the account turned NPA. The Company could not come out of the financial crunch as the revenues from operations continued to decline year after year.

As the company was unable to service its debts to Indian Overseas Bank, the bank, pursuant to the provisions of Securitization & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002, took symbolic possession of the Mortgaged property on 30.11.2016 / 01.12.2016 and thereafter preferred an application u/s. 19 of The Recovery of Debts due to Banks and Financial Institutions Act, 1993 for recovery of 9,85,81,666.72p (Rupees Nine crores, eighty five lacs, eighty one thousand, six hundred sixty six and paise seventy two only) on 07.02.2017 before Debt Recovery Tribunal - II, New Delhi. The case is still pending before the Debt Recovery Tribunal - II, New Delhi. Several initiatives such as launching of new products, substantial improvements in quality and service, cost reduction etc. were taken in the past. However, the performance of the Unit did not improve.

Further, in view of the changing economic scenario and due to considerable increase in operational cost, increasing competitive environment and COVID-19 pandemic not only from the organized sector but also from the unorganized sector, coupled with mounting pressure from the bank in selling the unit, manufacturing facility became uncompetitive.

During the pendency of the recovery suit filed by Indian Overseas Bank, the management of the Company, after several rounds of negotiations, had been able to settle with the bank. Against total outstanding of Rs. 12.50 Cr at that time, the bank has agreed for a one time settlement at Rs. 8.30 Cr. The Company had received a sanction letter from Indian Overseas Bank for One Time Settlement.

Pursuant to One time Settlement with Bank and after considering various options, the Board decided to sell/or lease or otherwise dispose off the whole or substantially the whole of the manufacturing unit of the company situated at 138, Roz-ka-Meo, Industrial Area, Sohna, Dist.: Mewat, Haryana 122103 in the overall best interest of all the stakeholders.

The net proceeds from the sale/lease of the Undertaking will be utilized to repay the existing loans and reduce interest burden, and enhancement of working capital of the Company or general business purpose. The sale/lease of the said Undertaking will not have any impact on the Company's trading business which it may start in the near future.

The Board of Directors is of the opinion that the proposed sale/transfer/lease/disposing off of the whole or substantially the whole of the Fixed Assets of the company is in the overall interest of the Company. The proposed Special Resolution provide adequate flexibility and discretion to the Board to finalize the terms of the sale/transfer/lease/or disposing off the whole or substantially the whole of the manufacturing unit of the company in consultation with the advisors, experts or other Authorities as may be required.

However, because of the sudden lock down and restrictions imposed by the Central Government and the State Government due to ongoing COVID-19 pandemic, the Company suffered a major liquidity crunch and hence the Board has now submitted a revised One Time Settlement proposal with IOB.

In terms of Section 180(1)(a) of the Companies Act, 2013, a company cannot sell, transfer, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company without the consent of the members by way of a special resolution. In view of the provisions contained in Companies Act, 2013 & Listing Regulations, 2015, the Company requires an approval of the Members of the Company through a Special Resolution, to sell /lease/ transfer / dispose off its pharmaceutical Manufacturing Unit situated at 138, Roz-ka-Meo, Industrial Area, Sohna, Dist. Mewat, Haryana 122103 ("Undertaking"), together with all specified tangible and intangible assets, including land, personnel / employees, plant and machinery and other assets in relation to the Undertaking but excluding its brand name, as a going concern / on a slump sale basis on an "as is where is" basis or in any other manner as the Board may deem fit in the interest of the Company, in terms of Section 180(1)(a) of the Companies Act, 2013.

The Board also sought the approval of the shareholders for sale of the aforesaid manufacturing unit of the company in the previous Annual General Meeting of the company held on 25-09-2019 by way of special resolution and the same was also approved by the shareholders. However, during the year under review, because of the sudden lock down and restrictions imposed by the Central Government and the State Government due to ongoing COVID-19 pandemic, the Board could not find the appropriate buyer, hence a fresh approval from the shareholders of the company is being sought in Item No. 3 of the accompanying Notice.

In compliance with the applicable provisions of the Companies Act, 2013, the Special Resolution as set out in Item No. 3 of the accompanying Notice is now being placed before the members for their approval. Your Directors recommend the passing of the resolution as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives, in any way, deemed to be concerned or interested, financially or otherwise, in the special resolution as set out in the notice.

The Board recommends the special resolution as set out in Item no. 3 of the Notice for approval of the Shareholders.

Item No. 4:

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, require that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case of the Company having a paid up capital of Rs. Ten Crores or more, prior approval of shareholders must be obtained for entering into following Related Party Transactions:

1. Sale, purchase or supply of any goods or materials,
2. Selling or otherwise disposing of, or buying, leasing of property of any kind,

3. Availing or rendering of any services,
4. Appointment of any agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering any services from related parties,
5. Appointment of such related party to any office or place of profit in the company or its associate companies, if any or reimbursement of any transaction or any other transaction of whatever nature with related parties.

The proviso to Section 188(1) also states that nothing in Section 188(1) will apply to any transaction entered into by the Company in the ordinary course of business and at arm's length basis. Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 has also prescribed seeking of shareholders' approval for material related party transactions.

The Company is inter alia engaged in the business of manufacturing, trading, import and export of pharmaceutical products. The company's revenues started to decline from the FY 2015-16, as is evident from the financial statements, because of which the company started facing cash crunch, consequently the company could not service its debts to Indian Overseas Bank and the account turned NPA. The Company could not come out of the financial crunch as the revenues from operations continued to decline year after year. For the smooth functioning of the operations of the company, the company, from time to time, needs funds. The Promoter Director of the Company and his associate companies had been infusing and intends to infuse funds and intends to involve in other transactions as are mentioned in Section 188(1) of the Companies Act, 2013 and Rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 that may become material in nature as these transactions are likely to exceed 10% of the net worth of the Company or may exceed the other perimeters/criteria's as are mentioned in applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto.

All the proposed transactions put up for approval are in the ordinary course of business and at arm's length and approval of the Audit Committee / Board is obtained, wherever required. Pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and applicable Rules made thereunder and the SEBI (Listing and Disclosure) Regulations, 2015, the following contracts/arrangements/transactions are material in nature and require the approval of the unrelated shareholders of the Company by way of Ordinary Resolution:

| Sr. No | Name of the Related Party | Relationship | Maximum Value of Transactions per annum with effect from April 01, 2020 (Rs. in lacs) |
|--------|--------------------------------|--|---|
| 1 | Mr.Peeyush Kumar Aggarwal | Director & Promoter of the Company | 50.00* |
| 2 | Omkam Global Capital Pvt. Ltd. | Mr. Peeyush Kumar Aggarwal, Director & Promoter of the Company is also a Director & Promoter of Omkam Global Capital Pvt. Ltd. | 500.00* |
| 3 | Omkam Developers Limited | Mr. Peeyush Kumar Aggarwal, Director & Promoter of the Company is also a Director & Promoter of Omkam Developers Limited. | 600.00* |

The annual value of the transactions proposed is estimated on the basis of the Company's current transactions and future business projections.

Approval of the Members is sought to ratify/approve all existing contracts/arrangements/ agreements/transactions with the aforesaid parties. Further, the approval is also sought to enable the Board for entering into new/further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto) with the aforesaid parties subject to the limits mentioned in the table above.

The members are further informed that members of the Company being a related party or having any interest in the resolution as set out in Item No. 4 shall abstain on voting on this resolution whether the entity is a related party to the particular transaction or not.

In compliance with the applicable provisions of the Companies Act, 2013, the Ordinary Resolution as set out in Item No. 4 of the accompanying Notice is now being placed before the members for their approval. Your Directors recommend the passing of the resolution as an Ordinary Resolution.

Except Mr. Peeyush Kumar Aggarwal, Promoter and Managing Director of the Company and other related parties to the extent of their shareholding interest in the Company, no other Director or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in passing of this resolution.

The Board recommends the Ordinary Resolution as set out in Item no. 4 of the Notice for approval of the Shareholders.

Item No. 5

In order to make optimum use of funds available, if any, in the future, with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of Section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account whichever is more.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of the Annual General Meeting for an amount not exceeding Rs. 10 Crores (Rupees Ten Crores Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

Except Mr. Peeyush Kumar Aggarwal, Promoter and Managing Director of the Company and other related parties to the extent of their shareholding interest in the Company, none of the Directors or KMPs of the company or their relatives, are concerned or interested, financially or otherwise, in passing of this resolution.

The Board recommends the Special Resolution as set out in Item no. 5 of the Notice for approval of the Shareholders.

**For and on Behalf of the Board of Directors of
Advik Laboratories Ltd.**

**Sd/-
(Peeyush Kumar Aggarwal)
Chairman
DIN : 00090423**

**Date: 27th November, 2020
Place: New Delhi**

Director's Report

Dear Members,

Your Directors are delighted to present the 26th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2020.

1. Financial Results:

The Financial Performance of your Company for the year ended March 31, 2020 is summarized below

(Amount in Lacs)

| Particulars | For the year ended | |
|---|--------------------|------------|
| | 31.03.2020 | 31.03.2019 |
| Revenue from operations | 1.50 | 84.50 |
| Profit/(Loss) before Depreciation & Income Tax | (66.39) | (70.51) |
| Less: Depreciation | 57.26 | 58.79 |
| Profit/(Loss) after depreciation | (123.65) | (129.30) |
| Less: Provision for Income Tax/Deferred Tax | (6.96) | (4.69) |
| Profit/(Loss) After Taxation | (116.69) | (124.60) |
| Other Comprehensive Income | 0.28 | 1.31 |
| Total Comprehensive Income for the period carried over to Reserve & Surplus a/c | (116.40) | (123.29) |

2. Dividend:

In view of losses incurred by the Company, your Directors regret their inability to recommend dividend on equity shares for the year under review.

3. Reserves:

In view of losses incurred by the Company, no amount is proposed to be transferred to Reserves for the year under review.

4. Brief description of the Company's working during the year:

Due to absence of orders there were no production activity in the company plant during the year under review, with the reason company turnover drastically down as compared to last year and suffered loss of Rs. 123.65 Lacs. The Board hopes to recover in the next financial year as company is in touch of some prominent customers, who buys the goods on third party manufacturing and job work basis & export on their own. Company is also looking for exploring South African market, where our products are well- established.

5. Change in the nature of business, if any:

During the year, there is no change in the nature of business activity of the company.

6. Material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:

The operations of the Company were disturbed due to the Corona Virus Pandemic because of which lockdown was imposed by the government as a result it further affected the financial position of our company. Due to the impact of Corona Virus and the sudden lockdown imposed by both the Central and State Governments in the wake of COVID-19 pandemic, the Company had to suspend its operations, which has adversely impacted its business. Moreover, the labour available with the company also moved to its hometown and all the other employees were unable to attend the office due to the lockdown imposed by the Government. In the absence of any operations, there is a considerable decline in the revenues generated by the company and the profitability of the company for the quarter ended 31st March, 2020 is also adversely impacted as no operations were being carried on by the Company. Presently, the company is facing many problems such as manpower shortage, liquidity crunch etc.

Further, your Company had received a One Time Settlement (OTS) Sanction Letter from Indian Overseas Bank (IOB) to settle its outstanding loan as per the terms and conditions of the said OTS at Rs. 8.30 Crores. As per the terms of the aforesaid One Time Settlement, the company was supposed to clear its outstanding debt by 30th September 2019. However, due to the paucity of funds, the company was unable to clear the debts of IOB. Company tried to arrange the necessary funds to settle its outstanding debts of IOB and had made a further request to IOB to allow it some more time in order to enable it to settle its outstanding debts as per the terms of aforesaid OTS.

It would not be out of place to mention here that the Board of Directors in its meeting held on 23rd August, 2019 had decided to sell the pharmaceutical Manufacturing Unit of the Company located at 138, Roz-ka-Meo, Industrial Area, Sohna, Dist. Mewat, Haryana 122103 in order to discharge the obligations of the Company under the said OTS and to clear the outstanding loan of the Company with IOB. The net proceeds from the sale of the Undertaking were used to repay the existing loans and reduce interest burden, and enhancement of working capital of the Company or general business purpose. The sale of the said Undertaking could not have any impact on the Company's trading business which it may start in the near future.

However, during the year under review, because of the sudden lock down and restrictions imposed by the Central Government and the State Government due to ongoing COVID-19 pandemic, the Board could not find the appropriate buyer. The Company is still in the process of finding a suitable buyer for sale of its Undertaking and the management is negotiating with some prospective buyers so that maximum proceeds can be generated from the sale of the aforesaid undertaking which would be utilised to discharge the obligations of the Company with IOB.

Further, because of the liquidity crunch being faced by the company due to present scenario, our company has now again made a fresh One Time Settlement proposal to Indian Overseas Bank in order to enable it to settle its outstanding debts of IOB which is under consideration at the end of the bank.

Further, BSE has vide its Circular no. LIST/COMP/OPS/ 16 /2019-2020 dated June 11, 2019 and Notice no. 20190903-37 dated September 3, 2019 has initiated action against the company by freezing the Demat accounts of its Promoter and Promoter Group for all debits and further the shares of the company are also marked as suspended for trading on BSE's web portal w.e.f. 12th March, 2020 due to nonpayment of its annual listing fees.

7. Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future:

During the year, there are no significant and material orders passed by the Regulators or Courts or Tribunals which may impact the going concern status and company's operations in future.

However, BSE has vide its Circular no. LIST/COMP/OPS/ 16 /2019-2020 dated June 11, 2019 and Notice no. 20190903-37 dated September 3, 2019 has initiated action against the company by freezing the Demat accounts of its Promoter and Promoter Group for all debits and further the shares of the company are also marked as suspended for trading on BSE's web portal w.e.f. 12th March, 2020 due to nonpayment of its annual listing fees.

8. Details in respect of adequacy of internal financial controls with reference to the Financial Statements:

The Board has adopted policies and procedure for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its asset, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosure.

9. Details of Subsidiary/Joint Ventures/Associate Companies:

The Company has no Subsidiary. During the year, no company has become subsidiary/Joint-venture/Associate of the company.

10. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement:

During the year, no consolidated financial statements have been prepared by the company as the Company has no subsidiary company.

11. Pubic Deposits:

Your Company has not accepted any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, during the year under review. The details relating to deposits, covered under Chapter V of the Act is as under-

| | | |
|------|--|---|
| a) | accepted during the year | Rs Nil |
| b) | remained unpaid or unclaimed as at the end of the year | Rs Nil |
| c) | whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved | N.A. since the company has not accepted any deposits. |
| i. | at the beginning of the year | Rs Nil |
| ii. | maximum during the year | Rs Nil |
| iii. | at the end of the year | Rs Nil |

12. Auditors:**A. Statutory Auditors:**

M/s. RMA & Associates LLP, Chartered Accountants, New Delhi, the Statutory Auditors of the Company (Registration No. 000978N/500062), were reappointed as the statutory auditors of the Company for a further term of five years to hold office from the conclusion of 24th AGM till the conclusion of the 29th AGM of the Company to be held in the year 2023.

As per the Companies (Amendment) Act, 2017 and Rules made thereunder, w.e.f. May 07, 2018, the Central Government notified the omission of the requirement related to ratification of appointment of auditors by members at every Annual General Meeting. Accordingly, the resolution for ratification has not been placed before the members.

Statutory Auditors' Report:

The company always strives to present a unqualified Financial Statement. However, there are some observations on Auditor's Report for the F.Y. 2019-20, which are as under:-

Auditor's Observation:-

- Due to default in payments of bank loans, the company's accounts have been classified as Non-Performing Assets (NPA) by the Indian Overseas bank (IOB). IOB has not charged any interest on Cash credit & Term Loan Limits. During the period under review no provision has been made for such interest in the books of account of the company and to that extent bank's loan liability and total loss is understated by Rs. 726.46 lacs plus penal charges that the bank may charge. The amount disclosed in the Financial Statements is subject to confirmation adjustments, if any.
- The company had recorded the cost of investment at the face value of the equity shares issued and had not determines the fair value as required by IND-AS. The shares were not made available for physical verification. Hence we are unable to comment.
- Trade Receivables, Trade Payables & Loan & Advances are subject to confirmation, reconciliation, adjustments & provisions, if any which may arise out of confirmation and reconciliation.
- The stock of raw material and work in progress has been valued at cost price. In the current year there has been no production, it may have impact on profitability to the extent of its cost less realizable amount if any.
- The Capital work in Progress has been stalled. The physical conditions of these assets under construction require technical evaluation to determine impairments or write offs, if any. However in view of the management the suspension is temporary in nature and assets under construction are not obsolete, and the company will be able to resume construction activities in near future and accordingly no provision is required.

Report of the Statutory Auditor is annexed with the Annual Report, however, as regards qualifications' made by the Auditors' in their report your directors states as under:-

- a. The Company's accounts had become Non-Performing Assets (NPA) with Indian Overseas Bank (IOB) and due to this reason, IOB has stopped charging interest from the company on its outstanding debts. In view of the above, the company has not charged & account for the liability of interest expenses of Rs. 726.46 lacs in respect of delay of repayments of borrowings from the bank. The company has made necessary efforts to reach One Time Settlement with IOB & had sent the One Time Settlement proposal with IOB which has been approved by the Bank. As per the terms of the aforesaid One Time Settlement, the company was supposed to clear its outstanding debt by 30th September 2019. However, due to the paucity of funds, the company was unable to clear the debts of IOB. Company tried to arrange the necessary funds to settle its outstanding debts of IOB and had made a further request to IOB to allow it some more time in order to enable it to settle its outstanding debts as per the terms of aforesaid OTS.

However, due to the impact of Corona Virus and the sudden lockdown imposed by both the Central and State Governments in the wake of COVID-19 pandemic, the Company had to suspend its operations, which has adversely impacted its business. Moreover, the labour available with the company also moved to its hometown and all the other employees were unable to attend the office due to the lockdown imposed by the Government. In the absence of any operations, there is a considerable decline in the revenues generated by the company and the profitability of the company for the quarter ended 31st March, 2020 and the profitability during 1st quarter (April to June) is also be adversely impacted as no operations were being carried on by the Company due to the closure of operations and non-availability of man power. Presently, the company is facing many problems such as manpower shortage, liquidity crunch etc. In the current uncertain situation, Company is facing liquidity crunch to meet its day to day business operation expenses.

Further, because of the liquidity crunch being faced by the company due to present scenario, our company is now again in the process of making a fresh request to Indian Overseas Bank to allow it some more time to enable it to settle its outstanding debts of IOB as per the terms of aforesaid OTS.

- b. The Company is in the process of obtaining the necessary confirmations from its Sundry Debtors, Sundry Creditors & parties to whom advances has given, the Company shall provide the same to the Auditors as soon as it will be received by it.
- c. The company has misplaced/lost the share certificates of the Investment made by it in unquoted equity shares of other companies during the shifting of its records. Hence these share certificates are not physically held by the company. The Company has sent various request letters to the companies in which it has made investments for issue of duplicate share certificates. However, till date the company has not received any reply from these companies. In order to ensure the compliance of IND AS in true letter and spirits, the company is also trying to ascertain the fair market value of its investments.
- d. In the absence of any orders in the recent past, there is a decline in the operating activities of the company. Hence, the stock of raw material which remained unused is left with the company and is accordingly, reflected in its books of Accounts. The management of the Company is making necessary efforts to find the perspective buyers and to procure the new orders. The Company's management strongly believes that the new deals would be finalized soon. The unused stock of raw material would be utilized in manufacturing finished goods, once the new orders would be procured by the Company. Therefore, the company has valued its stock of raw material at cost price and not at its realizable amount because the Company intends to carry on its operations in near future and to use the stock of raw materials available with it in manufacturing activities as soon as the company will procure new orders.
- e. In order to expand its business operations, the Company had released some funds to contractors to construct an additional block in the factory. However, for the time being and due to some technical and other reasons, the management had to suspend the said construction activity. But, the management of the company believes that the suspension is temporary in nature and assets under construction are not obsolete, and the company will be able to resume construction activities in near future and accordingly no provision is required.

B. Secretarial Auditors:

As required under Section 204 of the Companies Act, 2013 and Rules thereunder, the Board had appointed M/s. Kundan Agrawal & Associates, Practising Company Secretaries, as Secretarial Auditor of the Company for the F.Y. 2019-20.

Annual Secretarial Compliance Report & Secretarial Audit Report

SEBI vide its circular bearing no. CIR/CFD/CMD1/27/2019 dated February 8, 2019 mandated that all listed entities in addition to Secretarial Audit, on an annual basis, require a check by the PCS on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder.

In compliance with the said circular, M/s. Kundan Agarwal & Associates, Company Secretaries, the Secretarial Auditors of the Company examined the compliance of all applicable SEBI Regulations and circulars / guidelines and provided their report. The Secretarial Auditors vide their report dated 23rd July, 2020, have reported that your company has maintained proper records under the provisions of SEBI Regulations and Circulars / Guidelines issued thereunder.

There are no qualifications, reservations, adverse remarks or disclaimers given by the Secretarial Auditor in its Secretarial Audit Report and Annual Secretarial Compliance Report for the Financial Year 2019-20 except the following:

“The Company has defaulted in payment of Annual Listing Fees to BSE and, therefore, BSE has initiated action against the company by freezing the Demat accounts of its Promoter and Promoter Group for all debits and further equity shares of the company are also marked as suspended for trading on BSE’s web portal w.e.f. 12th March, 2020 due to non-payment of annual listing fees.”

Our Explanation to Auditors Observation is as follows:

Our Company was trying hard to arrange the necessary funds for payment of outstanding listing fees of BSE. However, the operations of the Company were disturbed due to the ongoing Corona Virus Pandemic because of which lockdown was imposed by the government as a result it further affected the financial position and profitability of the company. Due to the impact of Corona Virus and the sudden lockdown imposed by both the Central and State Governments in the wake of COVID-19 pandemic, the Company had to suspend its operations, which has adversely impacted its business. Moreover, the labour available with the company also moved to its hometown and all the other employees were unable to attend the office due to the lockdown imposed by the Government. In the absence of any operations, there is a considerable decline in the revenues generated by the company and the profitability of the company for the quarter ended 31st March, 2020 is also adversely impacted as no operations were being carried on by the Company due to the closure of operations and non-availability of man power. Presently, the company is facing many problems such as manpower shortage, liquidity crunch etc. Our Company has sought time from BSE upto 31st March, 2021 for payment of outstanding fees of BSE.

The company has also obtained a certificate from M/s Kundan Agrawal & Associates, Practising Company Secretary confirming 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.

The Annual Secretarial Compliance Report and the Secretarial Audit Report and certificate regarding disqualification of Directors for the F. Y. 2019-20 is provided as **Annexure-1(A), 1(B) & 1(C)** respectively.

C. Internal Auditor:

Pursuant to the provision of the Companies Act, 2013, and Rules framed thereunder, the Board of Directors on the recommendation of the Audit Committee had appointed M/s. Sanghi & Co., Chartered Accountants as the Internal Auditor of the company for the FY 2019-20.

13. Cost Audit

Pursuant to the various circulars issued by the Ministry of Corporate Affairs, the Company is required to maintain cost records for all the products being manufactured by it and get the same audited by a cost auditor. But due to turnover based criteria as prescribed by Central Government, cost audit is not required in our company for the financial year 2020-21 as per notification no. F.No.1/40/2013-CL-V dated 31.12.2014.

14. Share Capital:

| | | |
|----------|--|---|
| A | Issue of equity shares with differential rights: | During the year, company has not issued any equity shares with differential rights. |
| B | Issue of sweat equity shares | During the year, company has not issued any Sweat equity shares. |
| C | Issue of employee stock options | During the year, company has not issued employee stock options. |
| D | Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees | Rs Nil |
| E | Bonus Shares | No bonus shares were issued during the year under review. |

15. Extract of the annual return (MGT-9):

The extract of the annual return in Form No. MGT-9 is annexed herewith (**Annexure-2**).

16. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The Company lay focus on Conservation of energy with studies, discussions and analysis, which are undertaken regularly for further improvement. In terms of requirement of Section 134 (3) (a) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 the required information relating to conservation of energy, technology absorptions and foreign exchange earnings and outgo are Annexed hereto as **Annexure-3**.

17. Corporate Social Responsibility (CSR):

In terms of section 135(1) of the Companies Act, 2013, the provisions of Corporate Social Responsibility are not applicable to the Company.

18. Directors and Key Managerial Personnel:**A) Changes in Directors and Key Managerial Personnel****Retirement by Rotation**

In accordance with the provisions of the Companies Act, 2013, Mr. Ram Niwas Sharma (DIN 08427985), Director of the Company, retires by rotation at the forthcoming AGM, and being eligible, offers himself for re-appointment.

Considering the vast experience of Mr. Ram Niwas Sharma, the Board is of the opinion that his reappointment will immensely benefit your Company. The Board recommends his reappointment.

Brief profile of the Mr. Ram Niwas Sharma, Director of the Company who is proposed to be re-appointed is mentioned herein below:

Mr. Ram Niwas Sharma, aged 48, has more than two decades of experience in the corporate sector at various levels including stock broking, marketing and general administration. Considering his vast and rich experience, he was appointed as a Non-Executive Director of the Company.

Mr. Ram Niwas Sharma (having DIN: 08427985) does not have any relationship with any of the existing directors and Key Managerial Personnel and he does not hold any shares in the Company. At present, Mr. Ram Niwas Sharma is a Non-Executive Director of the Company and he has no interest, directly or indirectly, in the capital of the Company.

Mr. Ram Niwas Sharma, Director, holds directorship in following companies, including Advik Laboratories Limited.:

| S.No | Name of the Companies | Designation |
|------|---|-------------|
| 1. | Advik Laboratories Limited | Director |
| 2. | MPS Infotecnics Limited | Director |
| 3. | Neelabh Spinning Mills Private Limited. | Director |
| 4. | Omkam Pharmaceuticals Private Limited | Director |
| 5. | Omkam Retreat Private Limited | Director |
| 6. | Omkam Inns Private Limited | Director |
| 7. | Omkam Resorts Private Limited | Director |
| 8. | Onshore Shipping Limited | Director |
| 9. | Heritage Corporate Services Limited | Director |
| 10. | Square Yards Estates Private Limited | Director |
| 11. | Radsun Technologies Limited | Director |
| 12. | Omkam Securities Private Limited | Director |
| 13. | Omkam Consultancy Private Limited | Director |

Details of his Directorship and Committee membership in other listed and public limited companies are as follows:-

| Sl. No. | Directorships in other listed and Public Limited Companies | Committee Membership/Chairmanship |
|---------|--|-----------------------------------|
| 1 | Mps infotecnics limited | NIL |
| 2. | Onshore Shipping Ltd | NIL |
| 3. | Heritage Corporate Services Limited | NIL |
| 4. | Radsun Technologies Limited | NIL |

B. Appointment, Change in Designation and Cessation:

Appointment/Reappointment

During the year under review, Mr. Ram Niwas Sharma was appointed as an Additional Director w.e.f. 23.08.2019 and was regularised as a Director liable to retire by rotation in the last annual general meeting held on 25th September, 2019.

A brief profile of Mr. Ram Niwas Sharma and details of his directorships in other companies are mentioned hereinabove in Point No 18(A) of this report.

Mr. Ram Niwas Sharma (having DIN: 08427985) does not have any relationship with any of the existing directors and Key Managerial Personnel and he does not hold any shares in the Company.

Further, during the year under review, Mr. Manoj Kumar Jain, (DIN - 01887411), Independent Director of the Company was reappointed as the Independent Director of the Company for a second term of Five (5) years in the last annual general meeting held on 25th September, 2019 by the shareholders of the company

Brief Profile of Mr. Manoj Kumar Jain (DIN: 01887411)

Mr. Manoj Kumar Jain, (DIN: 01887411) aged about 54 years is a Commerce Graduate and Management consultant by profession and advises on various aspects of management. He has a vast experience of 26 years in the field of General & Financial Management.

Mr. Manoj Kumar Jain holds directorship and membership of the Committees of the Board of Directors of the under stated other companies:

1. North Eastern Carrying Corporation Limited __ Independent Director

- Audit Committee – Chairman
- Nomination & Remuneration Committee – Chairman

- Stakeholders Relationship Committee – Chairman
- 2. **MPS Infotecnics Limited__ Independent Director**
 - Audit Committee – Member
 - Nomination & Remuneration Committee – Member
 - Corporate Social Responsibility Committee – Member
 - Risk Management Committee – Chairman
 - Stakeholders Relationship Committee –Member

Mr. Manoj Kumar Jain does not hold any equity shares in the Company.

Change in Designation

During the year under review, Mr. Peeyush Kumar Aggarwal (DIN: 00090423) was designated as the Managing Director of the Company in the Annual General Meeting held on 25th September, 2019.

A brief profile of Mr. Peeyush Kumar Aggarwal is as follows:

Mr. Peeyush Aggarwal, aged about 57 years, is a fellow Member of the Institute of Chartered Accountants of India. He has rich experience of over 30 years. A first generation Entrepreneur having a clear business vision and practicing a hands-off approach. He has mastered the art of Mergers & Acquisitions. His business interests today are in the areas of Information Technology; Telecom VAS; Digital Cinema ; Retail ; Broking (Shares, Commodities, Insurance) ; Real Estate ; Construction & Hospitality. In addition, he has had an extensive experience in strategic and feasibility consulting, preparing business plans, conducting due diligence, reviews and business valuation. He has had significant expertise in assisting Indian Companies in financial and management audits. He also has rich and vast experience in the field of Corporate Laws, Finance and Taxation, Project Management etc.

Mr. Peeyush Kumar Aggarwal holds 19,57,159 equity shares constituting 10.24 % of the Paid up Share Capital of the Company.

Mr. Peeyush Kumar Aggarwal, Managing Director, holds directorship as on 31st March, 2020 in following other companies:

| S.No | Name of the Companies | Designation |
|------|---|-------------------|
| 1 | MPS INFOTECNICS LIMITED | Managing Director |
| 2 | INTERWORLD DIGITAL LIMITED | Director |
| 3 | ONUS PLANTATIONS AND AGRO LIMITED | Director |
| 4 | NIRVANA BIOSYS PRIVATE LIMITED | Director |
| 5 | PRASHANT SOFTWARES PRIVATE LIMITED | Director |
| 6 | MPS EXIM PRIVATE LIMITED | Director |
| 7 | ADVANTA BUILDWELL PRIVATE LIMITED | Director |
| 8 | POWERSOFT SOLUTION PRIVATE LIMITED | Director |
| 9 | MPS FASHIONS PRIVATE LIMITED | Director |
| 10 | WELCOME BUILDERS PRIVATE LIMITED | Director |
| 11 | OMKAM CAPITAL MARKETS PRIVATE LIMITED | Director |
| 12 | OMKAM DEVELOPERS LIMITED | Director |
| 13 | ONTIME CARGO AND COURIERS PRIVATE LIMITED | Director |
| 14 | OMKAM COMMODITIES PRIVATE LIMITED | Director |
| 15 | OMKAM SECURITIES PRIVATE LIMITED | Director |
| 16 | OMKAM GLOBAL CAPITAL PRIVATE LIMITED. | Director |
| 17 | BHIKSHU ENTERPRISES PRIVATE LIMITED | Director |
| 18 | HARSIMRAT INVESTMENTS PRIVATE LIMITED | Director |

Cessation

Mr. Sachin Garg, Managing Director of the Company resigned w.e.f. 23-04-2019 from the post of Managing Director and Director of the Company during the year under review.

C. Declaration by Independent Directors:

Your Company has received necessary declaration from each Independent Director of the Company under Section 149(6) of the Companies Act, 2013 read with Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming that they meet with the criteria of independence as prescribed under the aforesaid Section and Regulation.

D. Formal Annual Evaluation:

In compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and Individual Directors including the Chairman of the Board. Structured questionnaires were used in the overall Board evaluation comprising various aspects of Board function.

The evaluation of Independent Directors was carried out by the entire Board and that of the Chairman and Non – Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

19. Number of meetings of the Board of Directors:

Eight meetings of the Board of Directors were held during the year on 23rd April, 2019, 30th May, 2019, 12th August, 2019, 23rd August, 2019, 13th November, 2019, 24th December, 2019, 13th February, 2020 and 16th March, 2020.

A separate meeting of the Independent Directors was held on 16.03.2020.

20. Committees of the Board:

During the year under review, in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has the following Committees:

- * Audit Committee
- * Stakeholders' Relationship Committee
- * Nomination and Remuneration Committee

Details of the said Committees alongwith their charters, compositions and meetings held during the year are provided in the Report of Corporate Governance as a part of this Annual Report.

As per the provisions of SEBI (LODR) Regulations, 2015, the constitution of Risk Management Committee is not applicable to the Company and therefore the Board had decided to dissolve the same in its meeting held on 23-04-2019. Hence, the Risk Management Committee of the Board of the Company was dissolved w.e.f. 23-04-2019.

21. Board Evaluation:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board Evaluation framework. The Companies Act, 2013 provides that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual directors. Schedule IV of the Companies Act, 2013, states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Structured questionnaires were used in the overall Board evaluation comprising various aspects of Board function.

The performance of the Board was evaluated by the Board on the basis of Performance Evaluation Policy formulated by the Board and after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of committees, effectiveness of Committee meetings, etc. and on such further criteria as is set out in the Performance Evaluation Policy (as per Annexure -4) formulated by the Nomination and Remuneration Committee and approved by the Board to evaluate the performance of the Board and its Committees.

In a separate meeting of Independent Directors held on 16.03.2020, performance of non-Independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Based on the outcome of performance evaluation for the financial year 2019-20, further measures/actions have been suggested to improve and strengthen the effectiveness of the Board and its Committees.

22. Policy on Directors' Appointment and Remuneration:

Your Company has a policy to have an appropriate mix of Executive, Non-Executive and Independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2020, the Board consisted of 4 members and out of which 1 (One) is an Executive Director, 2 are Non-Executive Independent Directors including 1 Woman Director and 1 is a Non-Executive Director liable to retire by rotation.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director, and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is attached as Annexure-5 to the Board Report. Further no remuneration, at present, is being paid to any of the Directors of the Company.

23. Risk management policy and Internal Control:

The Company has adopted a Risk Management Policy duly approved by the Board and also has in place a mechanism to identify access, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

24. Whistle Blower Policy and Vigil Mechanism:

Your Company has established a "Whistle Blower Policy" and Vigil Mechanism for directors and employees to report to the appropriate authorities concerns about the unethical behaviour actual or suspected, fraud or violation of the Company's code of conduct policy and provides safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the company. The same can be accessed at the website of the Company under the Investment Information head at the link http://www.advikindia.com/reports/policy/whistle_blower.pdf.

25. Particulars of loans, guarantees or investments under Section 186:

Particulars and details of loans given, investments made or guarantees given and securities provided, if any, are given in the Notes to the Financial Statements.

26. Contracts and arrangements with related parties:

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website http://www.advikindia.com/reports/policy/related_party.pdf. Pursuant to Section 134 (3)(h) of the Companies Act, 2013 and Rules made there under, particulars of transactions with related parties as required under section 188(1) of the Companies Act, 2013 are mentioned in the prescribed Form AOC-2 which is annexed herewith as "Annexure-6". The details of the transactions with related parties are provided in Notes to Financial Statements.

27. Corporate Governance:

Your Company has been benchmarking itself with well-established Corporate Governance practices besides strictly complying with the requirements of Regulation 17 to 27 and any other applicable Regulation of the SEBI under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

A separate "Report on Corporate Governance" together with requisite certificate obtained from Statutory Auditors of the Company, confirming compliance with the provisions of Corporate Governance as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this Report.

28. Directors' Responsibility Statement:

Pursuant to Section 134(3)(c) read with 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and belief confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards had been followed and no material departures have been made from the same;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year i.e. on 31st March, 2020 and of the profit or loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating efficiently; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

29. Particulars of Employees:

There are no employees employed throughout the financial year who were in receipt of remuneration of Rs. 102 Lacs or more or employed for part of the year who were in receipt of remuneration of Rs. 8.50 lacs or more a month under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014.

Disclosure u/s 197(12) and Rule 5(1) of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as **Annexure – 7**.

During the year under review, none of the Directors of the Company has received remuneration from the Company.

The Nomination and Remuneration Committee of the Company has affirmed in its meeting held on 16/03/2020 that the remuneration paid to the Senior Management Employee/KMPs is as per the remuneration policy of the Company.

30. Internal Auditors & Their Report:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and Rules made thereunder, the Company had appointed M/s Sanghi & Co. as Internal Auditor for the financial year 2019-20.

Internal Financial Control and Their Adequacy

The Board has adopted policies and procedure for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its asset, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosure.

The Company has an adequate internal controls system commensurate with its size and the nature of its business. All the transactions entered into by the Company are duly authorized and recorded correctly. All operating parameters are monitored and controlled. The top management and the Audit Committee of the Board of Directors review the adequacy and effectiveness of internal control systems from time to time

31. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules thereunder:

Pursuant to the provisions of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules thereunder, the Company has not received any complaint of sexual harassment during the year under review.

32. Reporting of Frauds by Auditors'

During the year under review, the Statutory Auditors and the 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 Companies Act, 2013, details of which need to be mentioned in this Report.

33. Secretarial Standards

The Company has complied with the provisions of the applicable Secretarial Standards, i.e. SS-1(Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standard on General Meetings).

34. Effect of Covid-19 Pandemic

In last month of Financial Year 2020, the world has been affected with an unprecedented pandemic COVID -19, which has adversely affected the lives and livelihood of the people of the virtually all countries. In India, the Nationwide lock down started in the last week of the March, 2020 and fourth phase completed on 31st May, 2020. During lock down period operation of the company almost closed and company main focus was to secure employees health first. Some office work was done, after getting necessary permissions from the concerned local authorities and ensuring compliances related to Covid-19 guidelines i.e. maintaining social distance, mandatory to wear face mask, proper sanitizations, cleaning hands, thermal scanning. The operation of the company had already been resumed with all security measures as directed by government. The Company is following all relevant Government directives and guidelines regarding health and safety of the workers during work. The Covid-19 certainly would have major negative impact on the business of the Company. Due to the impact of Corona Virus and the sudden lockdown imposed by both the Central and State Governments in the wake of COVID-19 pandemic, the Company had to suspend its operations, which has adversely impacted its business. Moreover, the labour available with the company also moved to its hometown and all the other employees were unable to attend the office due to the lockdown imposed by the Government. In the absence of any operations, there is a considerable decline in the revenues generated by the company and the profitability of the company for the quarter ended 31st March, 2020 and the profitability during 1st & 2nd quarters (April to June, July-sept)) also adversely impacted as no operations were being carried on by the Company due to the closure of operations and non-availability of man power. Presently, the company is facing many problems such as manpower shortage, liquidity crunch etc. to meet its day to day business operation expenses.

35. Human Resources:

Your Company treats its “human resources” as one of its most important assets. We focus on all aspects of the employee lifecycle. This provides holistic experience for the employees as well. During their tenure at the Company, employees are motivated through various skill development programs. We create effective dialogue through our communication channels to ensure effective dialogue through our communication channels to ensure that feedback reach the relevant team, including leadership.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

36. Segment-wise performance:

The Company is into single reportable segment only.

37. Management Discussion and Analysis:

The Management Discussion and Analysis Report on the business of the Company and performance review for the year ended March 31, 2020, as stipulated in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate report which forms part of the Report.

38. Acknowledgements:

Your Directors are grateful to the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India, the Stock Exchanges and other regulatory authorities for their valuable guidance and support and wish to express their sincere appreciation for their continues co-operation and assistance. We look forward for their continued support in future.

Your directors would like to express their sincere appreciation for the assistance and cooperation received from banks, customers, vendors, Government, members and employees during the year under review.

Finally, the Directors thank you for your continued trust and support.

**For and on Behalf of the Board of Directors of
Advik Laboratories Ltd.**

**Sd/-
(Peeyush Kumar Aggarwal)
Chairman
DIN : 00090423**

**Date: 27th November, 2020
Place: New Delhi**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Industry Structure and Development**

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in the UK.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms. The country is the world's largest supplier of generics, accounting for 20% of global exports. It supplies over 50% of global demand for various vaccines and 40% of the demand for generic products in the US.

Market Size

Indian pharmaceutical sector is expected to grow to US\$ 100 billion, while medical device market is expected to grow US\$ 25 billion by 2025. Pharmaceuticals export from India stood at US\$ 20.70 billion in FY20. Pharmaceutical export includes bulk drugs, intermediates, drug formulations, biologicals, Ayush and herbal products and surgical. Indian companies received 304 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market.

India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics is expected grow at an average growth rate of around 30% a y-o-y to reach US\$ 100 billion by 2025.

A Growing Industry in a Volatile Global Growth Environment

As per the International Monetary Fund, global economic growth was expected to rise from 2.9 percent in 2019 to 3.3 percent in 2020, slightly weaker than earlier projections. Economic weakness in certain emerging market economies, especially India led to this revision of growth prospects. Stronger multilateral cooperation, more balanced policy mix at national levels and impact of monetary policy easing could help strengthen economic activity and prevent downside risks.

However, the coronavirus (COVID-19) outbreak has brought considerable human suffering and major economic disruption with the growth prospects of the global economy becoming highly uncertain. Adverse impact on global business confidence has been witnessed in the first quarter of 2020, with financial markets demonstrating high volatility and capital flight, especially in emerging market economies where investors have been major sellers in stock markets. IMF predicts that global growth is expected to fall below 2019 levels.

Economic growth, an expanding global population, rise in incomes and technological change are expected to contribute to growth in the pharmaceutical industry. However, social, economic and political challenges remain in meeting unmet medical needs. The global healthcare market continues to grow, despite signs of economic slowdown in some countries. Global medicine spending is expected to rise from US\$955 billion in 2019 to over US\$1.1 trillion by 2024, per IQVIA.

The rise in spending is expected to be driven by the increased access globally and the anticipated launch of novel therapies, including gene and cell therapy addressing unmet needs. Payer scrutiny, government prescription drug policies and sales losses from genericization and biosimilar competition are expected to result in reduction in the global growth rate of medicine spending.

Source: IQVIA Therapy Prognosis, Sep 2019; IQVIA Institute, Dec 2019
Trends Impacting the Global Pharmaceutical Sector

1. Growing and Ageing Populations
2. Advances in Science & Technology and Key R&D Focus Areas
3. Growing Adoption of Digital Technologies
4. Pricing and Access
5. Regulatory Environment & Geopolitical Uncertainties
6. Impact of COVID-19 on the Global Pharmaceutical Industry

Investments and Recent Developments

The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions.

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 15.98 billion between April 2000 and March 2019, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Some of the recent developments/investments in the Indian pharmaceutical sector are as follows:

- In May 2020, Jubilant Generics Ltd entered into a non-exclusive licencing agreement with US-based Gilead Sciences Inc to manufacture and sell the potential COVID-19 drug Remdesivir in 127 countries, including India.
- Affordable medicines under Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) achieved record sales turnover of Rs 52 crore (US\$ 7.38 million) in the month of April 2020.
- During December 2019, on moving annual total (MAT) basis, industry growth was at 9.8 per cent, with price growth at 5.3 per cent, new product growth at 2.7 per cent, while volume growth at two per cent y-o-y.
- In October 2019, Telangana Government proposed Hyderabad Pharma City with financial assistance from the Central government of Rs 3,418 crore (US\$ 489 million).
- As on August 2019, the moving annual turnover (MAT) for biosimilar molecules sold in the domestic market stood at Rs 1,498 crore (US\$ 214.31 million).
- Healthcare sector witnessed private equity of total US\$ 1.1 billion with 27 deals in H12019.
- Indian pharmaceutical industry's export to the US will get a boost as branded drugs worth US\$ 55 billion will become off-patent during 2017-2019.

Impact of COVID-19 on Pharmaceutical Industry

- The Covid-19 pandemic has caused unprecedented disruption in global economic activity, reflected in severely weakened macro-economic indicators.
- Global GDP numbers are being revised depending upon stimulus packages initiated by respective governments and central banks, and the recovery potential of economies through the pandemic. All these will lead to significant volatility in the near to medium term across key economic indicators, including currency, liquidity and inflation. Despite the perceived immunity of the pharmaceutical sector, the Covid-19 pandemic is likely to cause major shifts in chronic and acute drug usage and healthcare delivery in developed and developing markets, impacting the operations of pharmaceutical companies across the globe.
- Since March 2020, most governments worldwide have accelerated containment measures to restrict the spread of the virus and utilise healthcare infrastructure and resources for Covid-19 treatment. This translates into fluctuating demand for medicines in hospital channels due to restricted patient flow for routine ailments (OPD) and rescheduling of non-critical surgeries. Restricted patient visits are likely to adversely impact prescriptions and medication refills, field force engagement, new product launches and inventory levels in the distribution channel, depending upon the duration and the severity of the pandemic.
- The pandemic may also cause interruptions in the procurement of raw material supplies, manufacturing operations and therefore the supply of medicines as the Company ensures the safety and well-being of its employees and stakeholders.
- The above factors have created an environment of significant uncertainty, which limits the ability of the company to make appropriate projections about business trajectory in the coming year(s). Evolving demand patterns can also have an impact on financial health as we extend liquidity support to our channel partners and suppliers.

Factors Influencing Growth Of The Industry

The Indian pharmaceutical industry ranks 14th in the world by value of pharmaceutical products. With a well-established domestic manufacturing base and low-cost skilled manpower, India is emerging as a global hub for pharma products and the industry continues to be on a growth trajectory. Moreover, India is significantly ahead in providing chemistry services such as analogue preparation, analytical chemistry, and structural drug design, thereby offering ample scope in contract research and other emerging segments in the pharmaceutical industry. Some of the major factors that would drive growth in the industry are as follows:

- **Increase in domestic demand:** More than half of India's population does not have access to advanced medical services and depend on traditional medicine practices. However, with increase in awareness levels, rising per capita income, change in lifestyle due to urbanization, and increase in literacy levels, demand for advanced medical treatment is expected to rise. Moreover, growth in the middle-class population would further influence demand for pharmaceutical products.
- **Rise in outsourcing activities:** Increase in the outsourcing business to India would also drive growth of the Indian pharmaceutical industry. Some of the factors that are likely to influence clinical data management and bio-statistics markets in India in the near future include: 1) its cost efficient research vis-à-vis other countries 2) highly-skilled labour base 3) cheaper cost of skilled labour 4) presence in end-to-end solutions across the drug-development spectrum and 5) robust growth in the IT industry.

- **Growth in healthcare financing products:** Development in the Indian financial industry has eased healthcare financing with products such as health insurance policy becoming popular. This has resulted in increase in healthcare spending, which in turn, has benefitted the pharmaceutical industry.

SWOT Analysis of the Industry

The SWOT analysis of the industry reveals the position of the Indian pharmaceutical industry in respect to its internal and external environment.

a) Strengths

- Low cost of skilled manpower
- Access to large pool of highly trained scientists
- Strong marketing and distribution network
- Proven track record in design of high technology manufacturing devices
- Low cost of innovation, manufacturing and operations.

b) Weaknesses

- Stringent pricing regulations
- Poor transport and medical infrastructure
- Lack of data protection
- Very competitive environment
- Poor health insurance coverage
- Production of low quality drugs tarnishes image of industry abroad
- Low investment in innovative R&D

c) Opportunities

- Increase in per capita income
- Global demand for generics rising
- Increasing population with more sedentary lifestyle
- Increasing health insurance sector
- Significant investment from MNCs
- Global outsourcing hub due to low cost of skilled labor.

d) Threats / Risks And Concerns

- Other low cost countries affecting demand
- Government regulations changing
- Expanding of Drugs Price Control Order
- Lack of investment in infrastructure
- Wage inflation
- R&D restricted by lack of animal testing and outdated patient office
- Counterfeiting threat

Government Initiatives

During the year, the Indian regulatory authorities announced several initiatives around generics, APIs and clinical trials. Some of the initiatives taken by the Government to promote the pharmaceutical sector in India are as follows:

- India plans to set up a nearly Rs 1 lakh crore (US\$ 1.3 billion) fund to provide boost to companies to manufacture pharmaceutical ingredients domestically by 2023.
- In November 2019, the Cabinet approved extension/renewal of extant Pharmaceuticals Purchase Policy (PPP) with the same terms and conditions while adding one additional product namely, Alcoholic Hand Disinfectant (AHD) to the existing list of 103 medicines till the final closure/strategic disinvestment of Pharma CPSUs.
- Under Budget 2020–21, Rs 65,012 crore (US\$ 9.30 billion) has been allocated to the Ministry of Health and Family Welfare is. The Government has allocated Rs 34,115 crore (US\$ 4.88 billion) towards the National Health Mission under which rural and urban people will get benefited.
- Rs 6,400 crore (US\$ 915.72 million) has been allocated to health insurance scheme Ayushman Bharat – Pradhan Mantri Jan ArogyaYojana (AB-PMJAY).
- As per Economic Survey 2019–20, Government expenditure (as a percentage of GDP) increased to 1.6% in FY20 from 1.2% in FY15 on health.
- The National Health Protection Scheme is the largest Government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to Rs 5 lakh (US\$

7,723.2) per family per year for secondary and tertiary care hospitalisation. The programme was announced in Union Budget 2018–19.

- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy to stop any misuse due to easy availability.
- Government of India unveiled 'Pharma Vision 2020' to make India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investment.
- Government of India has offered Rs 6,940 crore (US\$ 942.8 million) production linked incentives between 5–20% for incremental sales and plans to set up three mega drug parks to drive sustainable cost competitiveness.
- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order to stop any misuse due to easy availability.
- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.
- The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.
- The government continues the focus on revising and updating the National List of Essential Medicines.
- Expansion of Jan Aushadhi stores offering affordable medicines continues to provide price competition to pharmaceutical companies.
- The Ayushman Bharat programme, the world's largest state sponsored health insurance scheme, will continue to drive access to healthcare services in the country, and can potentially trigger a rise in demand.
- Introduction of telemedicine guidelines led to the formal recognition of this practice in India, legally. This is expected to improve patient convenience as consultations can be done remotely through any form of communication media.
- The Union Cabinet has proposed schemes with an allocation of approximately H10,000 crores towards construction of bulk drug parks, incentives to boost domestic output and reducing dependency on imports. The government has also identified 53 APIs that it would like domestic drug companies to focus on. From a manufacturing perspective, implementation timelines of such schemes and timely product approvals will be key to reduce dependency on imports over the medium to long term.
- E-pharmacies, entering into their fifth year of existence, will continue to evolve their business models to integrate into the overall healthcare ecosystem. The continuation of of discounting models and focus on profitability may lead to channel consolidation, with potential pricing implications for pharmaceutical companies.
- New Drugs & Clinical Trials Rules, 2019, were introduced to improve the scope of existing regulations to include provision for bioavailability and bioequivalence studies and inclusion of geriatric and pediatric population for relevant conditions, relaxation of local clinical trials for launching drugs marketed in foreign jurisdictions recognised by the health ministry, and introduction of the concept of investigational drugs and orphan drugs.

Road Ahead

Medicine spending in India is projected to grow 9-12 per cent over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

OUTLOOK

Overall growth outlook for the Indian drugs and pharmaceutical industry appears positive. Pharma manufacturers are likely to benefit from rise in demand for generic products. Some of the factors that would drive growth in the domestic pharma industry are:

- 1) Low cost operations
- 2) research-based processes
- 3) Improvements in API and,
- 4) Availability of skilled manpower.

India is among the leading global producers of cost-effective generic medicines and vaccines, supplying 20 percent of the total global demand by volume. The country has an established domestic [pharmaceutical industry](#), with a strong

network of 3000 drug companies and about 10,500 manufacturing units. Out of these, 1,400 units are World Health Organization (WHO) good manufacturing practice (GMP) approved; 1,105 have Europe's certificate of suitability (CEPs); more than 950 match therapeutic goods administration (TGA) guidelines; and 584 sites are approved by the US Food and Drug Administration (USFDA). The pharmaceutical industry in India produces a range of bulk drugs, which are the key acting ingredients with medicinal properties that form the basic raw materials for formulations. Bulk drugs account for roughly one-fifth of the industry output while formulations account for the rest. India also has the expertise for active pharmaceutical ingredients (APIs) and sees significant opportunities for value-creation. At present, Indian companies supply over 80 percent of the anti-retro-viral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome).

Segment Wise Performance

The Company is into single reportable segment only.

Internal Control System

The Company has laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, 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.

The Company has also laid down an adequate system for legal compliances. It has created appropriate structures with proper delegations of duties and responsibilities of employees at each level on enterprise basis which ensures the proper adherence and compliance of such systems.

Both the Internal Financial Control and Enterprise Legal Compliance System are subject to review by the Management in respect of their adequacy and operative effectiveness which in turn are also reviewed by the Internal Auditors, Statutory Auditors and Audit Committee. Finally, the Board of Directors of the Company also review and take note of them.

Human Resources

Human resource is considered as key to the future growth strategy of the Company and looks upon to focus its efforts to further align human resource policies and processes to meet its business needs. The Company aims to develop the potential of every individual associated with the Company as a part of its business goal. Respecting the experienced and mentoring the young talent has been the bedrock for the Company's growth.

Human resources are the principal drivers of change. They push the levers that take futuristic businesses to the next level of excellence and achievement.

Cautionary Statement

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate intend, will, expect and other similar expressions are intended to identify "Forward Looking Statements". The company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Actual results could differ materially from those expressed or implied. Important factors that could make the difference to the Company's operations include cyclical demand and pricing in the Company's principal markets, changes in Government Regulations, tax regimes, economic developments within India and other incidental factors.

**For and on Behalf of the Board of Directors of
Advik Laboratories Ltd.**

**Sd/-
(Peeyush Kumar Aggarwal)
Chairman
DIN : 00090423**

**Date : 27th November, 2020
Place: New Delhi**



Kundan Agrawal & Associates

Company Secretaries

Phone: 91-11-43093900

Mobile: 09212467033, 09999415059

E-mail: agrawal.kundan@gmail.com

Annexure -1(A)

Secretarial Compliance Report of Advik Laboratories Limited
for the year ended 31st March, 2020

We, Kundan Agrawal & Associates, Company Secretaries having FRN: S2009DE113700 and office at 193 First floor, Shakti Khand 3(near One mall) Indirapuram, Ghaziabad U.P. India 201014 and have examined:

- all the documents and records made available to us and explanation provided by "ADVIK LABORATORIES LIMITED"("the listed entity"),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of :

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable during the period under review.
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,2014 - Not applicable during the period under review.
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008-Not applicable during the period under review.
- Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 - Not applicable during the period under review.
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015; and circulars/ guidelines issued thereunder;

And based on the above examination, we hereby report that, during the review period:

- The entity is listed on Bombay Stock exchange (BSE), Calcutta Stock Exchange (CSE) and Delhi Stock Exchange (DSE).
- The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| Sr.No | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary |
|-------|--|------------|---|
| 1. | Regulation 14 – Listing Fees & Other charges | Not paid | The Company has defaulted in payment of Annual Listing Fees to BSE and, therefore, BSE has initiated action against the company by freezing the Demat accounts of its Promoter and Promoter Group for all debits and further equity shares of the |

| | | | |
|--|--|--|---|
| | | | company are also marked as suspended for trading on BSE's web portal w.e.f. 12th March, 2020 due to non-payment of annual listing fees. |
|--|--|--|---|

- (c) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (d) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

| Sr. No. | Action taken by | Details of violation | Details of action taken E.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any. |
|---------|-----------------|---|--|---|
| 1. | BSE | Regulation 14 – Non Payment of Listing Fees | BSE has vide its Circular no. LIST/COMP/OPS/ 16 /2019-2020 dated June 11, 2019 and Notice no. 20190903-37 dated September 3, 2019 has initiated action against the company by freezing the Demat accounts of its Promoter and Promoter Group for all debits and further the shares of the company are also marked as suspended for trading on BSE's web portal w.e.f. 12th March, 2020 due to nonpayment of annual listing fees. | As per the explanations provided to us by the management of the Company, the company is trying to arrange necessary funds to clear its outstanding listing fees and to revoke the consequent suspension on trading of its shares. |

- (e) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned) | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|---------|--|---|--|--|
| 1. | NIL | NIL | NIL | NIL |

For Kundan Agrawal & Associates
Company Secretaries

Sd/-
Kundan Agrawal
Company Secretary
Membership No. 7631
C.P. No. 8325
UDIN: F007631B000496273

Place: Ghaziabad, U. P.
Date: 23rd July, 2020



Kundan Agrawal & Associates

Company Secretaries

Phone: 91-11-43093900

Mobile: 09212467033, 09999415059

E-mail: agrawal.kundan@gmail.com

Annexure -1(B)

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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
M/s ADVIK LABORATORIES LIMITED
138, ROZ- KA- MEO INDUSTRIAL AREA,
SOHNA GURGAON HR 122103 IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Advik Laboratories Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We have not verified the correctness and appropriateness of the financial records and Books of the Company.
- c) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Based on our verification of the Company'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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 ('Audit Period') 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment 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) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Indian Stamp Act, 1899;
 - (vii) Indian Contract Act, 1872;
 - (viii) Income Tax Act, 1961 and indirect tax laws;
 - (ix) Applicable Labour Laws; and
 - (x) Other applicable Laws;

Having regard to the compliance system prevailing in the Company and on the basis of presentation and Reports made by the management of the Company, we further report that the Company has adequate system to ensure the compliance of the other applicable laws specifically to the Company.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Listing Agreements with Stock Exchanges in India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days 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. But some documents, minutes, registers, files are needed to be maintained in more improvised manner.
- All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. But further adherence to the rules and provisions of the act for drafting of minutes will be appreciated.
- The Company has defaulted in payment of Annual Listing Fees to BSE and, therefore, BSE has initiated action against the company by freezing the Demat accounts of its Promoter and Promoter Group for all debits and further equity shares of the company are also marked as suspended for trading on BSE's web portal w.e.f. 12th March, 2020 due to nonpayment of annual listing fees.
- Due to Covid-19 pandemic, there is a nationwide lockdown because of which there was a limited access to documents, registers, files etc. of the company. We had received all the necessary information over mails and via other electronic means from the company. So, as per the due-diligence done by us of the available records and documents of company maintenance of minutes of board meeting and committees and Statutory Registers of the company are in compliance with the applicable secretarial standards and various provisions of The Companies Act, 2013, however further improvement will be appreciated.

We further report that based on the information received and records maintained 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.

Disclaimer:-

- 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.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

**For Kundan Agrawal & Associates
Company Secretaries
FRN: S2009DE113700**

**Place: Ghaziabad
Date: 26th August, 2020**

Sd/-

**Kundan Agrawal
Company Secretary
Membership No.:- 7631
C.P. No. 8325
UDIN:F007631B000619253**



Kundan Agrawal & Associates
Company Secretaries
Phone: 91-11-43093900
Mobile: 09212467033, 09999415059
E-mail: agrawal.kundan@gmail.com

Annexure -1(C)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(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 of
Advik Laboratories Limited
138, Roz- Ka- Meo Industrial Area,
Sohna Mewat 122103**

We Kundan Agrawal & Associates, Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Advik Laboratories Limited having CIN L74899HR1994PLC038300 and having registered office at 138, Roz- Ka- Meo Industrial Area, Sohna Gurgaon 122103 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our 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 us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have 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 other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|----------------------------|----------|--------------------------------|
| 1. | Mr. Peeyush Kumar Aggarwal | 00090423 | 31.07.2013 |
| 2. | Mr. Manoj Kumar Jain | 01887411 | 26.12.2013 |
| 3. | Ms. Madhu Sharma | 06947852 | 31.01.2017 |
| 4. | Mr. Ram Niwas Sharma | 08427985 | 23.08.2019 |

Ensuring the eligibility of 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 Kundan Agarwal & Associates

Company Secretaries

FRN: S2009DE113700

Sd/-

Kundan Agrawal

Company Secretary

M. No. 7631

COP No. 8325

UDIN: F007631B000622751

Date: 27th August, 2020

Place: Ghaziabad

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

I.REGISTRATION & OTHER DETAILS:

| | | |
|----|--|---|
| 1. | CIN | L74899HR1994PLC038300 |
| 2. | Registration Date | 09/09/1994 |
| 3. | Name of the Company | Advik Laboratories Limited |
| 4. | Category/Sub-category of the Company | Company Limited by Shares/Indian Non- Government Company |
| 5. | Address of the Registered office & contact details | 138, Roz Ka-Meo Industrial, Sohna Distt. Mewat, Haryana – 122103 Tel nos. : 0124-2362471 |
| 6. | Whether listed company | Yes |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s. MAS Services Limited T-34, 2 nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 011-26387281-83 |

II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company are as given below :

| S. No. | Name &Description of main products | NIC Code of the product | % to total turnover of the Company |
|--------|------------------------------------|-------------------------|------------------------------------|
| 1. | Pharmaceuticals Products | 24232 | 100% |

III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NOT APPLICABLE

| Sl. No. | Name and Address of the Company | CIN/GLN | Holding/Subsidiary/ Associate | % of Shares Held |
|---------|---------------------------------|---------|-------------------------------|------------------|
| -- | -- | -- | -- | -- |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year[As on 1st-April-2019] | | | | No. of Shares held at the end of the year[As on 31-March-2020] | | | | % Change during the year |
|--------------------------|---|----------|----------------|-------------------|--|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 1957159 | - | 1957159 | 10.24 | 1957159 | - | 1957159 | 10.24 | - |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 4902322 | - | 4902322 | 25.65 | 4902322 | - | 4902322 | 25.65 | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub-total(A)(1):- | 6859481 | - | 6859481 | 35.89 | 6859481 | - | 6859481 | 35.89 | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs- Individual | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|--|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|----------|
| b) Other-Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A)=(A)(1)+(A)(2) | 6859481 | - | 6859481 | 35.89 | 6859481 | - | 6859481 | 35.89 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| e) Insurance Companies | | | | | | | | | |
| f) FIs | - | - | - | - | - | - | - | - | - |
| g) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| h) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | - | - | - | - | - | - | - | - |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 5877353 | - | 5877353 | 30.75 | 5873407 | - | 5873407 | 30.73 | (0.02) |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to Rs. 1 lakh | 3420570 | 12280 | 3432850 | 17.96 | 3385148 | 11280 | 3396428 | 17.77 | (0.19) |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 2779994 | - | 2779994 | 14.55 | 2819052 | - | 2819052 | 14.75 | 0.20 |
| NBFC Registered with RBI | 110280 | - | 110280 | 0.58 | 110280 | - | 110280 | 0.58 | - |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians | 15716 | - | 15716 | 0.08 | 14716 | - | 14716 | 0.08 | |
| Hindu | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|--|-----------------|--------------|-----------------|---------------|-----------------|--------------|-----------------|---------------|----------|
| Undivided Family | | | | | | | | | |
| Clearing Members | 35726 | - | 35726 | 0.19 | 38036 | - | 38036 | 0.20 | 0.01 |
| Sub-total (B)(2):- | 12239639 | 12280 | 12251919 | 64.11 | 12240639 | 11280 | 12251919 | 64.11 | - |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 12239639 | 12280 | 12251919 | 64.11 | 12240639 | 11280 | 12251919 | 64.11 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 19099120 | 12280 | 19111400 | 100.00 | 19100120 | 11280 | 19111400 | 100.00 | - |

II) Shareholding of Promoter-

| S no. | Shareholder's Name | Shareholding at the beginning of the year [As on 1st-April-2019] | | | Shareholding at the end of the year [As on 31st-March-2020] | | | % change in shareholding during the year |
|-------|---------------------------------|--|----------------------------------|---|---|----------------------------------|---|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total share capital | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total share capital | |
| 1 | Omkam Pharmaceuticals Pvt. Ltd. | 4902322 | 25.65 | 19.78 | 4902322 | 25.65 | 25.54 | - |
| 2 | Peeyush Kumar Aggarwal | 1957159 | 10.24 | - | 1957159 | 10.24 | - | - |
| | Total | 6859481 | 35.89 | 19.78 | 6859481 | 35.89 | 25.54 | - |

iii) Change in Promoters' Shareholding (please specify, if there is no change): Not Applicable – There are no changes in the promoters' shareholding during the year under review.

iv) Shareholding Pattern of top ten Shareholders:

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

| (other than Directors) Promoters and Holders by Name and Address: | | | | | | | | |
|---|---|--|----------------------------------|------|------------------------------------|--------|--|----------------------------------|
| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year [As on 1st-April-2019] | | Date | Increase/ Decrease in Shareholding | Reason | Cumulative Shareholding during the Year (1st-April-2019 to 31st-March, 2020) | |
| | | No. of shares | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 1. M/s. Pataliputra International Limited | | | | | | | | |
| | At the beginning of the year | 2629000 | 13.76 | | | | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ | Nil | Nil | Nil | Nil | Nil | 2629000 | 13.76 |

| | | | | | | | | |
|---|--|---------|-------|-----|-----|-----|---------|-------|
| | sweat equity etc.) | | | | | | | |
| | At the end of the year | -- | -- | -- | -- | -- | 2629000 | 13.76 |
| 2. M/s. Dhuru Builders And Promoters Pvt. Ltd. | | | | | | | | |
| | At the beginning of the year | 2605270 | 13.63 | | | | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | Nil | Nil | Nil | Nil | Nil | 2605270 | 13.63 |
| | At the end of the year | -- | -- | -- | -- | -- | 2605270 | 13.63 |
| 3. Mr. Subramanian P | | | | | | | | |
| | At the beginning of the year | 1282992 | 6.71 | | | | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | Nil | Nil | Nil | Nil | Nil | 1282992 | 6.71 |
| | At the end of the year | -- | -- | -- | -- | -- | 1282992 | 6.71 |
| 4. Sangeetha S | | | | | | | | |
| | At the beginning of the year | 1282992 | 6.71 | | | | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | Nil | Nil | Nil | Nil | Nil | 1282992 | 6.71 |
| | At the end of the year | -- | -- | -- | -- | -- | 1282992 | 6.71 |
| 5. M/s. Sampark Securities Pvt. Ltd. | | | | | | | | |
| | At the beginning of the year | 203229 | 1.06 | | | | | |
| | Date wise Increase / Decrease in | Nil | Nil | Nil | Nil | Nil | 203229 | 1.06 |

| | | | | | | | | |
|--|--|--------|------|-----|-----|-----|--------|------|
| | Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | | | | | | | |
| | At the end of the year | -- | -- | -- | -- | -- | 203229 | 1.06 |
| 6. Ms. PinkySachdeva | | | | | | | | |
| | At the beginning of the year | 161150 | 0.84 | | | | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | Nil | Nil | Nil | Nil | Nil | 161150 | 0.84 |
| | At the end of the year | -- | -- | -- | -- | -- | 161150 | 0.84 |
| 7. M/s. Anumita Infrastructure | | | | | | | | |
| | At the beginning of the year | 136000 | 0.71 | | | | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | Nil | Nil | Nil | Nil | Nil | 136000 | 0.71 |
| | At the end of the year | -- | -- | -- | -- | -- | 136000 | 0.71 |
| 8. M/s. ShanthiAgrofarm's Global Services Private Limited | | | | | | | | |
| | At the beginning of the year | 110280 | 0.58 | | | | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | Nil | Nil | Nil | Nil | Nil | 110280 | 0.58 |
| | At the end of the year | -- | -- | -- | -- | -- | 110280 | 0.58 |
| 9. Mr. Santosh Pradeep Bohra | | | | | | | | |
| | At the beginning of the year | 92100 | 0.48 | | | | | |
| | Date wise Increase / Decrease in | Nil | Nil | Nil | Nil | Nil | 92100 | 0.48 |

| | | | | | | | | |
|-------------------------------|--|-------|------|-----|-----|-----|-------|------|
| | Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | | | | | | | |
| | At the end of the year | -- | -- | -- | -- | -- | 92100 | 0.48 |
| 10. Mr. Vineet Chawla | | | | | | | | |
| | At the beginning of the year | 85000 | 0.44 | | | | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | Nil | Nil | Nil | Nil | Nil | 85000 | 0.44 |
| | At the end of the year | -- | -- | -- | -- | -- | 85000 | 0.44 |
| 11. M/s. Zuber Trading | | | | | | | | |
| | At the beginning of the year | 77638 | 0.41 | | | | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | Nil | Nil | Nil | Nil | Nil | 77638 | 0.41 |
| | At the end of the year | -- | -- | -- | -- | -- | 77638 | 0.41 |

V) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Shareholding of each Directors and each Key Managerial Personnel* | Shareholding at the beginning of the year [As on 1st-April-2019] | | Date | Increase/ Decrease in Shareholding | Reason | Cumulative Shareholding during the Year (1st-April-2019 to 31st-March, 2020) | |
|--|--|--|----------------------------------|------|------------------------------------|--------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 1.Mr. Peeyush Kumar Aggarwal (Managing Director) | | | | | | | | |
| | At the beginning of the year | 1957159 | 10.24 | | | | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | Nil | Nil | Nil | Nil | Nil | 1957159 | 10.24 |
| | At the end of the year | 1957159 | 10.24 | Nil | Nil | Nil | 1957159 | 10.24 |

| 2. Mr. Manoj Kumar Bhatia (Key Managerial Personnel) | | | | | | | | |
|--|--|-----|------|-----|-----|-----|-----|------|
| | At the beginning of the year | 450 | 0.00 | | | | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | Nil | Nil | Nil | Nil | Nil | 450 | 0.00 |
| | At the end of the year | 450 | 0.00 | Nil | Nil | Nil | 450 | 0.00 |

No other Directors/KMP holds Shares in the Company as on 31.03.2020

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 62450743 | 100799 | 0 | 62551542 |
| ii) Interest due but not paid | 6158577 | | | 6158577 |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 68609320 | 100799 | 0 | 68710119 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 0 | 466959 | 0 | 466959 |
| * Reduction | 137348 | 30000 | 0 | 167348 |
| Net Change | (137348) | 436959 | 0 | 299611 |
| Indebtedness at the end of the fin. year | | | | |
| i) Principal Amount | 62313395 | 537758 | 0 | 62851153 |
| ii) Interest due but not paid | 6158577 | 0 | 0 | 6158577 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 68471972 | 537758 | 0 | 69009730 |

* Due to NPA of company accounts with IOB, Bank has not booked any interest on borrowings; accordingly company has not debited any interest in the book of accounts, during the year.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

B.

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amt. |
|---------|---|-------------------------|------|------|------|------------|
| 1 | Gross salary | ---- | ---- | ---- | ---- | ---- |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | ---- | ---- | ---- | ---- | ---- |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | ---- | ---- | ---- | ---- | ---- |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | ---- | ---- | ---- | ---- | ---- |
| 2 | Stock Option | ---- | ---- | ---- | ---- | ---- |
| 3 | Sweat Equity | ---- | ---- | ---- | ---- | ---- |
| 4 | Commission - as % of profit & others | ---- | ---- | ---- | ---- | ---- |
| 5 | Others, please specify | ---- | ---- | ---- | ---- | ---- |
| | Total (A) | ---- | ---- | ---- | ---- | ---- |
| | Ceiling as per the Act | ---- | ---- | ---- | ---- | ---- |

B. Remuneration to other directors

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---------|--|-------------------|------|------|------|--------------|
| 1 | Independent Directors | ---- | ---- | ---- | ---- | ---- |
| | Fee for attending board committee meetings | ---- | ---- | ---- | ---- | ---- |
| | Commission | ---- | ---- | ---- | ---- | ---- |
| | Others, please specify | ---- | ---- | ---- | ---- | ---- |
| | Total (1) | ---- | ---- | ---- | ---- | ---- |
| 2 | Other Non-Executive Directors | ---- | ---- | ---- | ---- | ---- |
| | Fee for attending board committee meetings | ---- | ---- | ---- | ---- | ---- |
| | Commission | ---- | ---- | ---- | ---- | ---- |
| | Others, please specify | ---- | ---- | ---- | ---- | ---- |
| | Total (2) | ---- | ---- | ---- | ---- | ---- |
| | Total (B)=(1+2) | ---- | ---- | ---- | ---- | ---- |
| | Total Managerial Remuneration | ---- | ---- | ---- | ---- | ---- |
| | Overall Ceiling as per the Act | ---- | ---- | ---- | ---- | ---- |

NOTE:

PLEASE NOTE THAT NONE OF THE DIRECTORS INCLUDING THE MANAGING DIRECTOR IS DRAWING ANY REMUNERATION FROM THE COMPANY

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

| SNo. | Particulars of Remuneration | Key Managerial Personnel | | |
|------|---|--------------------------|--------|--------|
| | | CS | CFO | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 301753 | 462000 | 763753 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission | 0 | 0 | 0 |
| | - as % of profit | 0 | 0 | 0 |
| | others, specify... | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 |
| | Total | 301753 | 462000 | 763753 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|--------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |

| | |
|-------------------------------------|-----|
| Compounding | |
| C. OTHER OFFICERS IN DEFAULT | |
| Penalty | NIL |
| Punishment | |
| Compounding | |

For and on Behalf of the Board of Directors of
Advik Laboratories Ltd.

Sd/-

(Peeyush Kumar Aggarwal)

Chairman

DIN : 00090423

Date: 27th November, 2020
Place: New Delhi

ANNEXURE "3" TO THE DIRECTOR'S REPORT

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange earnings & Outgo pursuant to Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, forming part of Directors Report.

| | | Current Year | Previous Year |
|---|--------------|--------------|---------------|
| | | 2019-2020 | 2018-2019 |
| A) CONSERVATION OF ENERGY | | | |
| I) Power and Fuel Consumption | | | |
| 1) Electricity | | | |
| a)Purchased Unit (kwh) | | 30912 | 30228 |
| Total amount | | 469520 | 463349 |
| Rate/ Unit (Rs/Kwh) | | 15.19 | 15.33 |
| | | | |
| b)Own generation | | | |
| i)Through Diesel | | | |
| Generator Unit (Kwh) | | 406.25 | 280 |
| Unit per litre of Diesel oil (Kwh) | | 3.25 | 2.80 |
| Cost/Unit (Rs/ Kwh) | | 20.10 | 24.76 |
| | | | |
| ii)Through Steam Turbine | | - | - |
| Generator Unit (Lakh kwh) | | - | - |
| Unit per tonne of fuel (kwh) | | - | - |
| Cost/unit (Rs/kwh) | | - | - |
| 2)Coal | | - | - |
| 3)Furnace Oil | | - | - |
| 4)Others/internal generation | | - | - |
| | | | |
| B)TECHNOLOGY ABSORPTION | | | |
| I)Research & Development (R & D) | | NIL | NIL |
| II) Technology absorption, adoption &Innovation | | NIL | NIL |
| | | | |
| | | | |
| Foreign Exchange Earned | (Rs in lacs) | -- | -- |
| Foreign Exchange used | (Rs in lacs) | -- | -- |

Performance Evaluation Policy

1. Introduction

The Advik Laboratories Limited (**"The Company"**) conducts its operations as per the directions provided by the Board of Directors within the framework laid down by the Companies Act, 2013 (**"the Act"**), the Articles of Association, Listing Agreement with stock exchanges and Code of Conduct and policies formulated by the Company for its internal execution. The Company's Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis, in the best interest of the company and its stakeholders.

The Act provides that the Nomination and Remuneration Committee shall formulate the criteria for evaluation of performance of Independent Directors and the Board. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner. The Act further casts an obligation on part of the board of directors for evaluating the performance of independent directors. All the directors on the board of a company, except the independent director whose performance is being evaluated, will assess the performance of the independent director. Accordingly, a report of performance evaluation of each independent director of the company would be prepared, which would determine whether to extend or continue the term of appointment of the concerned independent director or not.

As one of the most important functions of the Board of Directors is to oversee the functioning of Company's top management, this Board Performance Evaluation process aims to ensure individual directors (**"Directors"**) and the Board of Directors of the Company (**"Board"**) as a whole work efficiently and effectively in achieving their functions. This policy aims at establishing a procedure for conducting periodical evaluation of its own performance and individual directors. Hence, it is important that every individual Board Member effectively contributes in the Board deliberations.

2. Role of Board and Independent Directors

In conformity with the requirement of the Act, the performance evaluation of all the Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Independent Directors are duty bound to evaluate the performance of non – independent directors and Board as a whole. The independent directors of the Company shall meet at least once in a year to review the performance of the non-independent directors, performance of Chairperson of the Company and Board as a whole, taking into account the views of executive directors and non-executive directors.

3. Evaluation Criteria

The Board of Directors shall pay regards to the following parameters for the purpose of evaluating the performance of a particular director. In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of Board itself, and individual directors. Such evaluation factors may vary in accordance with their respective functions and duties. Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director being evaluated.

Appraisal of each Director of the Company shall be based on the criteria as mentioned herein below.

Rating Scale:

| Performance | Rating |
|------------------|--------|
| Excellent | 4 |
| Very Good | 3 |
| Good | 2 |
| Satisfactory | 1 |
| Not Satisfactory | 0 |

Evaluation of Independent Directors

While evaluating the performance of Independent Directors following points needs to be considered.

Name of the Director being assessed: _____

| Sr. No. | Assessment Criteria | Rating | Remarks/ Comments |
|---------|---|--------|-------------------|
| 1. | Attendance and participations in the meetings | | |
| 2. | Raising of concerns to the Board | | |
| 3. | Safeguard of confidential information | | |
| 4. | Rendering independent, unbiased opinion and resolution of issues at meetings. | | |
| 5. | Initiative in terms of new ideas and planning for the Company. | | |
| 6. | Safeguarding interest of whistle-blowers under vigil mechanism. | | |
| 7. | Timely inputs on the minutes of the meetings of the Board and Committee's, if any | | |
| 8. | Compliance with Article of Association, Companies Act, Listing Regulations & other laws applicable to the Company | | |
| 9. | Contribution to development of strategy and to risk management | | |
| 10. | Updatations with latest developments | | |
| 11. | Communications with Board members, senior management and others | | |

Evaluation of Non Independent/ Executive Directors

While evaluating the performance of Non-Independent Directors/ Executive Directors following point's needs to be considered:

Name of the Director being assessed: _____

| Sr. No. | Assessment Criteria | Rating | Remarks/ Comments |
|---------|---|--------|-------------------|
| 1. | Leadership initiative | | |
| 2. | Initiative in terms of new ideas and planning for the Company | | |
| 3. | Professional skills, problem solving and decision making | | |
| 4. | Compliance with policies of the Company, ethics, Code of Conduct etc. | | |
| 5. | Reporting of frauds, violations etc. | | |
| 6. | Motivating employees, providing assistance & directions | | |
| 7. | Attendance and presence in meeting of Board, Committee and General Meeting. | | |
| 8. | Safeguarding of interest of whistle blowers under vigil mechanism. | | |
| 9. | Timely inputs of the minutes of the meetings of the Board and Committee, if any. | | |
| 10. | Compliance with Article of Association, Companies Act, Listing Regulations & other laws applicable to the Company | | |
| 11. | Contribution to development of strategy and to risk management | | |
| 12. | Updatations with latest developments | | |
| 13. | Communications with Board members, senior management and others | | |

Evaluation of Board of Directors

While evaluating the Performance of the Board of Directors as a whole, following points needs to be considered:

| Sr. No. | Assessment Criteria | Rating | Remarks/ Comments |
|---------|--|--------|-------------------|
| 1. | The Board of Directors of the company is effective in decision making | | |
| 2. | The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities. | | |
| 3. | The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law. | | |
| 4. | The Board reviews the organization's performance in carrying out the stated mission on a regular basis. | | |

| | | | |
|-----|---|--|--|
| 5. | The Board of Directors is effective in providing necessary advice and suggestions to the company's management. | | |
| 6. | Is the board as a whole up to date with latest developments in the regulatory environment and the market? | | |
| 7. | The information provided to directors prior to Board meetings meets your expectations in terms of length and level of detail. | | |
| 8. | Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues. | | |
| 9. | The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the board. | | |
| 10. | The Board appropriately considers internal audit reports, management's responses, and steps towards improvement. | | |
| 11. | The Board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance. | | |
| 12. | The Board considers the independent audit plan and provides recommendations. | | |

COMMITTEES OF BOARD

The Board has constituted the following committees:

1. Audit Committee;
2. Stakeholders Relationship Committee;
3. Nomination and Remuneration Committee;
4. Risk Management Committee

For evaluating the performance of each committee, the Board of Directors shall pay regards to the following aspects:

| Sr. No. | Assessment Criteria | Rating | Remarks/ Comments |
|----------------|---|---------------|--------------------------|
| 1. | Compliance with Article of Association, Companies Act, Listing Regulations & other laws applicable to the Company | | |
| 2. | Compliance with ethical standards & code of conduct of Company | | |
| 3. | Committee's accomplishments w.r.t. performance objectives | | |
| 4. | Redressal of complaints & grievances | | |
| 5. | Coordination with other committees and Board of Directors | | |
| 6. | Fulfilment of roles & responsibilities assigned to them | | |
| 7. | Adherence to Company's policies and internal procedures | | |

Evaluation of Key Management Personnel and Senior Executives

While evaluating the performance of Key Management Personnel and Senior Executives (other than Directors) following points shall be kept in mind:

| Sr. No. | Assessment Criteria | Rating | Remarks/ Comments |
|----------------|--|---------------|--------------------------|
| 1. | Abidance and behaviour in accordance with ethical standards & code of conduct of Company. | | |
| 2. | Compliance with Article of Association, Companies Act, Listing Regulations & other laws. Applicable to the Company | | |
| 3. | Interpersonal and communication skills | | |
| 4. | Team work attributes | | |
| 5. | Safeguard of confidential information | | |
| 6. | Compliance with policies of the Company, ethics, code of conduct, etc. | | |
| 7. | Punctuality and other personality related aspects | | |

5. Review of the Policy

The Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

6. Disclosure

Company will disclose details of its Board Performance Evaluation processes in its Board's report. The Board's report containing such statement shall indicate the manner in which formal evaluation has been made by the Board of its own performance and individual directors of the Company.

**For and on Behalf of the Board of Directors of
Advik Laboratories Ltd.**

**Sd/-
(Peeyush Kumar Aggarwal)
Chairman
DIN : 00090423**

**Date : 27th November, 2020
Place: New Delhi**

NOMINATION & REMUNERATION

1. Introduction

Pursuant to Section 178 of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of had constituted the Nomination and Remuneration Committee. The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 read along with the applicable rules thereto and Listing Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

2. Objective and purpose of the policy

The objectives and purpose of this policy are:

1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees. This includes, reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluating the CEO's performance in light of those goals and objectives, and either as a committee or together with the other independent directors (as directed by the board), determine and approve the CEO's compensation level based on this evaluation; and making recommendations to the board with respect to non-CEO executive officer compensation, and incentive-compensation and equity-based plans that are subject to board approval;
2. The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.
3. To formulate the criteria for evaluation of performance of all the Directors on the Board;
4. To devise a policy on Board diversity; and
5. To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

Definitions

- 'Board' means Board of Directors of the Company.
- 'Directors' means Directors of the Company.
- 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable SEBI listing Regulations, 2015 and/or any other Act/Regulations.
- 'Company' means Advik Laboratories Limited.
- Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- 'Key Managerial Personnel (KMP)' means-
 - (i) the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
 - (ii) the Company Secretary; and
 - (iii) the Chief Financial Officer

Senior Management means personnel of the company who are members of its core management team excluding Board of

Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing as may be amended from time to time shall have the meaning respectively assigned to them therein.

General

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and nomination; and

Part – C covers remuneration and perquisites etc.

Part – A

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt by the Committee:-

(a) Size and composition of the Board:

Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole and ensure compliance of various provision of applicable laws and SEBI listing Regulations, 2015;

(b) Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

(c) Succession plans:

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

(d) Evaluation of performance:

Make recommendations to the Board on appropriate performance criteria for the Directors.

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

(e) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- (i) the remuneration of the Managing Director, Whole-time Directors and KMPs
- (ii) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;
- (iii) the remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to
- (iv) attract and motivate talent to pursue the Company's long term growth;
- (v) demonstrate a clear relationship between executive compensation and performance; and
- (vi) be reasonable and fair, having regard to best governance practices and legal requirements.
- (vii) The Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
- (viii) the Company's remuneration reporting in the financial statements.

PART – B

Policy for appointment and removal of Director, KMPs and Senior Management

I. Appointment criteria and qualifications

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation

to the other Board members.

4. The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of seventy years and shall not appoint Independent Director who is below age of 21 years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond Seventy years as the case may be.
5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

II. Term / Tenure

1. Managing Director / Whole-time Director

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

2. Independent Director

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

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

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

III. Retirement

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company with the approval of shareholders by passing a special resolution at the general meeting of the Company.

PART – C

Policy relating to the remuneration for Directors, KMPs and other employees

A. General

1. The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of Chapter xiii of the Companies Act, 2013 read with schedule v, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

B. Remuneration to KMPs and other employees

The policy on remuneration for KMPs and other employees is as below:-

1. Fixed pay

The remuneration and reward structure for employees comprises two broad components - annual remuneration and long-term rewards. The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the employees.

These guidelines are as under:

a) Annual remuneration

Annual remuneration refers to the annual compensation payable to the employees of the Company. This comprises two parts - a fixed component, and a performance-linked variable component based on the extent of achievement of the individual's objectives and performance of the business unit. Employee is required to determine his/her key result areas for that particular defined role. The performance-linked variable pay will be directly linked to the performance on individual components of the performance and the overall performance of the business. An employee's variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of shareholders.

The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber, and high potential personnel in a competitive global market. The total remuneration level is to be reset annually based on a comparison with the relevant peer group globally, established through independent compensation surveys, from time to time.

b) Long-term rewards

Long-term rewards may be granted to eligible key employees based on their contribution to the performance of the Company, relative position in the organization, and length of service under the supervision and approval of the Committee.

The grant, vesting and other scheme details would be formulated from time to time.

These long-term reward schemes are implemented to attract and retain key talent in the industry.

2. Minimum remuneration to Managing Director/ Chief Executive officer

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

C. Remuneration/ Setting Fees / Commission to Non-Executive / Independent Directors**1. Remuneration/ Setting Fees / Commission**

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made there under.

The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

Non-Executive Directors/ Independent Director shall be paid a Setting Fees / Commission as may be decided by the Board of Directors from time to time subject to the limits specified in Companies Act, 2013 and other applicable laws/ Regulations.

2. Stock options

The Independent Directors shall not be entitled to any stock option of the Company.

Policy review

This policy is framed based on the provisions of the Companies Act, 2013 and rules there under and the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

For and on Behalf of the Board of Directors of Advik Laboratories Ltd.

**Sd/-
(Peeyush Kumar Aggarwal)
Chairman
DIN : 00090423**

**Date 27th November, 2020
Place: New Delhi**

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

| | |
|---|-----------------------|
| (a) Name(s) of the related party and nature of relationship | Not Applicable |
| (b) Nature of contracts/arrangements/transactions | |
| (c) Duration of the contracts / arrangements/transactions | |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any | |
| (e) Justification for entering into such contracts or arrangements or transactions | |
| (f) date(s) of approval by the Board | |
| (g) Amount paid as advances, if any: | |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | |

2. Details of material contracts or arrangement or transactions at arm's length basis:

| | |
|--|--|
| (a) Name(s) of the related party and nature of relationship | Peeyush Kumar Aggarwal |
| (b) Nature of contracts/arrangements/transactions | Unsecured Loan |
| (c) Duration of the contracts / arrangements/transactions | 01/04/2019 to 31/03/2020 |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | Mr. Peeyush Kumar Aggarwal is the Director & Promoter of the Company. For the smooth functioning of the company as well as for day to day funds requirements, the company had been requesting Mr. Peeyush Kumar Aggarwal and he has been infusing the required funds. The funds received by the company are repayable on demand and/or as and when the company has surplus funds. During the year under review an interest free sum of Rs. 4,36,959/- had been infused by the Mr. Peeyush Kumar Aggarwal. The funds received from the promoters are repayable on demand and/or as and when the company has surplus funds |
| (e) Justification for entering into such contracts or arrangements or transactions | Short Term fund required for day to day transactions |
| (f) date(s) of approval by the Board | 30-05-2019 |
| (g) Amount paid as advances, if any: | Nil |
| (h) Date on which the ordinary resolution was passed in general meeting as required under first proviso to section 188 | 25-09-2019 |

For and on Behalf of the Board of Directors of Advik Laboratories Ltd.

Sd/-
(Peeyush Kumar Aggarwal)
Chairman
DIN : 00090423

Date: 29th July, 2020
Place: New Delhi

Annexure – 7**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| S. No. | Name of Director/KMP and Designation | Remuneration of Director/KMP for Financial Year 2019-20 (Rs. In Lacs) | % Increase in Remuneration in the Financial Year 2019-20 | Ratio of remuneration of each Director/ to median remuneration of employees | Comparison of the Remuneration of the KMP against the performance of the Company |
|--------|---|---|--|---|--|
| 1. | Mr. Sachin Garg Managing Director (Resigned w.e.f 23.04.2019) | NIL | Not Applicable | Not Applicable | Loss for the financial year 2019-20 is Rs. 123.65 Lacs as compare to loss of Rs. 129.30 Lacs for the financial year 2018-19. |
| 2. | Mr. Peeyush Kumar Aggarwal Executive Director | NIL | Not Applicable | Not Applicable | |
| 3. | Mr. Manoj Kumar Jain Independent Director | Not Applicable | Not Applicable | Not Applicable | |
| 4. | Ms. Madhu Sharma Independent Director | Not Applicable | Not Applicable | Not Applicable | |
| 5. | Mr. Ram Niwas Sharma Non-Executive Director | NIL | Not Applicable | Not Applicable | |
| 6. | Mr. Manoj Bhatia Chief Financial Officer | 4.62 Lacs | NIL | Not Applicable | Loss for the financial year 2019-20 is Rs. 123.65 Lacs as compare to loss of Rs. 129.30 Lacs for the financial year 2018-19. |
| 7. | Ms. Pooja Chuni Company secretary | 3.02 Lacs | NIL | Not Applicable | Loss for the financial year 2019-20 is Rs. 123.65 Lacs as compare to loss of Rs. 129.30 Lacs for the financial year 2018-19. |

No sitting fee was paid to any of the Directors for attending Board Meeting/Committee Meetings.

- ii. Due to some financial resistant's, there was no increase in the remuneration of Key Managerial Personnel as well as employees of the company during the year under review;
- iii. There were 15 permanent employees on rolls of Company as on March 31, 2020;
- a) Variations in the market capitalization of the Company: The market capitalization as on March 31, 2020 was Rs. 68.80 lacs as compared to market capitalization of Rs. 363.12 lacs on March 31, 2019.

- b) Price Earnings ratio of Company was Rs. (0.59) as at March 31, 2020 and was Rs. (2.92) as at March 31, 2019.
- c) The closing price of the Company's equity shares on the BSE as on March 31, 2020 was Rs. 0.36/- per share.
- iv. The Key Parameters for any variable component of remuneration availed by the Directors – Please refer to the salient features of Remuneration Policy annexed and forming part of this Report.
- v. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- vi. It is hereby affirmed that the remuneration paid to KMP and other employees is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- vii. None of the employees of the Company are related to any Director of the Company.

For and on Behalf of the Board of Directors of Advik Laboratories Ltd.

**Sd/-
(Peeyush Kumar Aggarwal)
Chairman
DIN : 00090423**

**Date 27th November, 2020
Place: New Delhi**

Report on Corporate Governance

Philosophy on Code of Corporate Governance

Your Company stand committed to good Corporate Governance - transparency, accountability, disclosure and independent supervision to increase the value to the stakeholders. The Company is committed to transparency in all its dealings with shareholders, employees, the Government and other parties and places high emphasis on business ethics. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and increasing long-term shareholder value, keeping in view the interests of the company's stakeholders. Your company believes that Corporate Governance is a powerful tool for building trust and long-term relationship with stakeholders, employees, customers and suppliers. The Company has consistently endeavored to be transparent in all areas of its operations.

Corporate Governance to the Company is not just a compliance issue but central guiding principle for everything it does. It's a way of thinking, way of conducting business and a way to steer the organization to take on challenges for now and for the future. The following report on the implementation of the Corporate Governance code is a sincere effort of the Company to follow the Corporate Governance Principles in its letter and spirit.

Your Directors are committed to good Governance practices and the company has been sharing all important information about its various business segments and operations of the company through Directors Report, Quarterly Results, Chairman's Statement and Annual Reports. Further as required by the listing agreement, report on Corporate Governance is given below:

Board of Directors

The Company is managed by well- qualified Directors. All directors are suitably qualified, experienced and competent .The members of the Board of Directors are persons with considerable experience and expertise in Audit, Accounts, Finance, Administration and Marketing. The Company is benefited by the experience and skills of the Board of Directors.

The Board of Directors consists of four members, comprising of one Managing Director, one Non-Executive Director liable to retire by rotation and two Non-Executive Independent Directors including one Woman Director. The Board's composition meets the stipulated requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors hold directorship in more than ten public limited companies or act as an Independent Director in more than seven Listed Companies, none of the Directors acts as a member of more than ten or Chairman of more than five Committees as on 31st March, 2020 across all public limited companies in which they are Directors.

Board Meetings

The Board of Directors formulates the business policies of the company, reviews the performance and decides on the main issues concerning the company. During the year under review, Eight Board Meetings were held on 23rd April, 2019, 30th May, 2019, 12th August, 2019, 23rd August, 2019, 13th November, 2019, 24th December, 2019, 13th February, 2020 & 16th March, 2020.

Details of attendance of each Director at various meetings of the Company as on 31st March, 2020 are as follows:

| Name | Category and Designation | No. of Board Meeting | | Whether attended last AGM Yes/No | No. of Committees Chairmanship/Membership of Board Committees* (including this listed entity) | | Number of Directors held in public companies | No. of Shares and convertible instruments held by Executive/ Non-Executive Directors |
|---|-------------------------------------|----------------------|----------|----------------------------------|---|--------|--|--|
| | | Held | Attended | | Chairman | Member | Public | |
| Mr. Peeyush Kumar Aggarwal | Managing Director | 8 | 8 | Yes | 0 | 5 | 5 | 19,57,159 |
| Mr. Sachin Garg* (Resigned w.e.f 23.04.2019) | Executive Director | 8 | 1 | No | 0 | 2 | 3 | NIL |
| Mr. Manoj Kumar Jain | Non-Executive Independent Director | 8 | 8 | Yes | 4 | 2 | 3 | NIL |
| Ms. Madhu Sharma | Non-Executive, Independent Director | 8 | 8 | Yes | 3 | 3 | 5 | NIL |
| Mr. Ram Niwas Sharma Appointed w.e.f. 23.08.2019) | Non-Executive Director | 8 | 4 | Yes | 0 | 0 | 5 | NIL |

* As per the requirements of Regulations 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Chairmanship and Membership of the Audit Committee and Stakeholders' Relationship Committees in other Public Limited Companies is mentioned only.

- The details of Mr. Sachin Garg in the above table are as on 23-04-2019, i.e., the date on which he resigned.

The Board of Directors has complete access to any information within the Company. At the Board Meetings, Directors are provided with all the relevant information on important matters, working of the Company as well as related details that require deliberations by the members of the Board.

OUTSIDE DIRECTORSHIPS/COMMITTEE POSITIONS OF DIRECTORS AS ON MARCH 31, 2020

| Name of the Directors | In Listed Companies | Name of the Listed Entity and category | In unlisted Public Limited companies | As Chairman/ Member of Board Committee |
|------------------------|---------------------|--|--|---|
| Peeyush Kumar Aggarwal | 2 | MPS Infotecnics Limited Executive Director Interworld Digital Limited Non-Executive Director | a) Onus Plantations And Agro Limited b) Omkam Developers Limited | <u>Interworld Digital Limited</u> Audit Committee- Member Investigation Committee-Chairman <u>MPS Infotecnics Limited</u> Audit Committee- Member Stakeholder Relationship Committee-Member Risk Management Committee-Member Corporate Social Responsibility Committee-Member |
| Manoj Kumar Jain | 2 | MPS Infotecnics Limited Independent Director North Eastern Carrying Corporation Limited Independent Director | NIL | <u>MPS Infotecnics Limited</u> Audit Committee- Member Risk Management Committee- Chairman Stakeholder Relationship Committee-Member Nomination and Remuneration Committee-Member Corporate Social Responsibility Committee-Member <u>North Eastern Carrying Corporation Limited</u> Audit Committee- Chairman Stakeholder Relationship Committee- Chairman Nomination & Remuneration Committee - Chairman |
| Madhu Sharma | 4 | Polar Marmo Agglomerates Limited Independent Director RCC Cements Limited Non-Executive Director MPS Infotecnics Limited Independent Director Interworld Digital Limited Independent Director | NIL | <u>Polar Marmo Agglomerates Limited</u> Audit Committee-Chairperson Nomination and Remuneration Committee-Chairperson Stakeholder Relationship Committee-Chairperson <u>RCC Cements Limited</u> Nomination and Remuneration Committee-Member <u>MPS Infotecnics Limited</u> Audit Committee- Chairperson Risk Management Committee- Member Nomination and Remuneration Committee-Chairperson Corporate Social Responsibility Committee-Chairperson <u>Interworld Digital Limited</u> Risk Management Committee- Member Nomination and Remuneration Committee-Member Stakeholder Relationship Committee-Member |
| Ram Niwas Sharma | 1 | MPS Infotecnics Limited Non-Executive Director | Onshore Shipping Limited Heritage Corporate Services Limited Radsun Technologies Limited | NIL |

a) Private Limited companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose.

b) None of the directors is a member in neither more than 10 Committees, nor a Chairman in more than 5 Committees across all the companies in which he is a Director.

Relationship between Directors

None of the Directors are related to each other.

Induction and Familiarization Programme for Independent Directors

On appointment, the concerned Directors is issued a letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a familiarization programme. The programme aims to familiarize the Directors with their role, rights and responsibilities, nature of business model of the Company, etc.

The Details of the familiarization programme held for the Independent Directors are available on the Company's website i.e. http://www.advikindia.com/reports/policy/fpi_directors.pdf.

Skill/expertise/competencies of the Board of Directors

The following is the list of core skills/expertise/competencies identified by the Board of Directors:

- Knowledge of Companies policies and culture including the knowledge of industry in which the Company operates
- Business Strategy, Corporate Governance, Administration, Decision Making
- Financial and Management Skills
- Technical Skills and Specialized Knowledge in relation to Company's business

The aforementioned skills are only indicative and not possessing any skill/competency/expertise is not seen as a disqualifying ability. The nominations to the Board are made on the recommendations of the Nomination and Remuneration Committee which considers various other factors.

Following is the chart/matrix setting out the Names of the Directors of the Company possessing the requisite skills/competencies/expertise:

| Names of Director | Skills/Competencies/Expertise |
|------------------------------|--|
| • Mr. Peeyush Kumar Aggarwal | Fellow Member of the Institute of Chartered Accountants of India. He has rich experience of over 30 years. A first generation Entrepreneur having a clear business vision and practicing a hands-off approach. He has immense experience in Mergers & Acquisitions, Finance. His business interests are in the areas of Pharmaceuticals, Information Technology; Telecom VAS; Digital Cinema ; Retail ; Broking (Shares, Commodities, Insurance) ; Real Estate, Construction & Hospitality. He has great leadership & entrepreneur skills also. He also has vast experience in Finance and legal matters. He is an ideal person to lead the Company as he has been involved in the affairs of the Company right from the time it was taken over from the previous promoters. |
| • Mr. Manoj Kumar Jain | He has a vast experience of over 25 years in the field of General & Financial Management. He has a rich experience in pharmaceutical, information technology and logistics business. He has great leadership, decision making & entrepreneur skills also. His vast knowledge has been invaluable to the company. |
| • Ms. Madhu Sharma | She has extensive experience of almost 20 Years in various aspects of management, viz., the field of marketing and general administration. She has good leadership skills too. |
| • Mr. Ram Niwas Sharma | He has more than two decades of experience in the corporate sector at various levels including stock broking, marketing and general administration. |

Certificate from Practising Company Secretary

The company has obtained a certificate from M/s Kundan Agrawal & Associates, Practising Company Secretary confirming 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.

Independent Directors

The tenure of Independent Directors is in accordance with the Companies Act, 2013 and Listing Regulations.

In the opinion of the Board, and as per the confirmation received from the Independent Directors, the Independent Directors fulfill the conditions specified in the Listing regulations and that of Companies Act, 2013 and are independent of the management.

Independent Directors' Meeting

In compliance with Section 149(8) of the Companies Act, 2013, read alongwith Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, one separate meeting of Independent Directors of the Company was held on 16.03.2020. The meeting was conducted in an informal manner without the presence of Managing Director, the Non-Executive Non Independent Director or any other Management Personnel.

During the year under review, the Independent Directors met inter alia, to:

1. Review the performance of non-independent directors and the Board as a whole.
2. Review the performance of the Chairman of the company, taking into account the views of executive directors and non-executive directors.
3. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

Performance Evaluation

In compliance with the provisions of the Companies Act, 2013 and as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted a formal mechanism for evaluation of its performances as well as that of its committees and Individual Directors, including the Chairman of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and other criteria as set out in Performance Evaluation Policy.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors. The performance evaluation of all the Directors individually was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

Information supplied to the Board

The Board has complete access to all information with the Company, which inter alia includes:-

- Quarterly results and results of operations of the company.
- Financing Plans of the Company
- Minutes of the meeting of the Board of Directors, Committee Meetings, etc
- Details of any agreement entered into by the Company
- Compliance or non-compliance of any regulatory or statutory nature or listing requirements and investor grievances, if any

The information pertaining to mandatory items as specified in the listing Regulations, Companies Act, 2013 and other applicable Laws, alongwith other business issues, is regularly provided to the Board, as part of the agenda papers.

Board Committees

Your Company has various Committees which have been constituted by the Board of Directors as a part of good corporate governance practices and the same are in compliance with the requirements of the relevant provisions of applicable laws and Statutes. The details of various Committees constituted by the Board are as follows:

I. Audit Committee

The role and terms of reference of the Audit Committee are in accordance with Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. This, inter alia, includes the overview of Company's financial reporting process, review of quarterly, half yearly and annual financial statements, review of internal control and internal audit systems, engage consultants who can analyze/review the internal practices and give a report thereon to the audit committee from time to time in respect of Company's Financial Reporting and controls thereto, recommendation for appointment, remuneration and terms of appointment of auditors of the company, review and monitor the auditors' independence, approval of any subsequent modification of transactions with the related parties, scrutiny of inter corporate loans and investments, etc.

During the year under review, Five Audit Committee Meetings were held on 30th May, 2019, 12th August, 2019, 23rd August, 2019, 13th November, 2019 and 13th February, 2020. The Committee is headed by a Non-Executive Independent Director. The Chairman of the Audit Committee was present at the last AGM held on 25.09.2019.

Details of attendance of each members of the Audit Committee are as under:

| Name of the Director | Category | Number of meetings during the financial year 2019-20 | |
|---|---|--|----------|
| | | Held | Attended |
| Mr. Manoj Kumar Jain | Chairman, Non-Executive, Independent Director | 5 | 5 |
| Mr. Peeyush Kumar Aggarwal (Appointed as a member w.e.f. 23.04.2019) | Executive Director, Member | 5 | 5 |
| Ms. Madhu Sharma | Non-Executive, Independent Director, Member | 5 | 5 |
| Mr. Sachin Garg* (Resigned w.e.f 23.04.2019) | Executive Director, Member | 5 | 0 |

The Company Secretary of the Company also acts as the Secretary of the Audit Committee.

The role of the audit committee shall include the following:

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. Of the candidate;
- (20) carrying out any other function as is mentioned in the terms of reference of the audit committee;

The audit committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of regulation 32(7).

II. Nomination and Remuneration Committee

The constitution and terms of reference of the Committee are as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 and Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The broad terms of reference of the Nomination and Remuneration Committee (NRC), inter alia, are as follows:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) recommend to the board, all remuneration, in whatever form, payable to senior management.

Two meetings of the Nomination and Remuneration Committee were held on 23rd August, 2019 and 16th March, 2020.

The Composition of the Nomination and Remuneration Committee (NRC) as on March 31, 2020 and the attendance of each member at the Committee Meetings are as given below:

| Name of Members | Status | Number of meetings during the financial year 2019-20 | |
|---|---|--|----------|
| | | Held | Attended |
| Mr. Manoj Kumar Jain | Chairman, Non-Executive, Independent Director | 2 | 2 |
| Mr. Peeyush Kumar Aggarwal (Ceased to be a member w.e.f. 23.08.2019) | Member, Executive Director | 2 | 1 |
| Ms. Madhu Sharma | Member, Non-Executive, Independent Director | 2 | 2 |
| Mr. Ram Niwas Sharma (Appointed as a member w.e.f. 23.08.2019) | Member, Non-Executive Director | 2 | 1 |

Performance Evaluation

The Nomination and Remuneration Committee had laid down the criteria for performance evaluation of Independent Directors and other Directors, Board of Directors and Committees of the Board of Directors. The assessment was carried on the basis of following criteria:

1. Valuable Input Provided;
2. Dedication and Commitment;
3. Industry Knowledge;
4. Raising of Concern;
5. Compliances under Companies Act;
6. Contribution to development of strategy and to risk management.
7. Updatations with the latest developments.
8. Communication with other Board members, senior management and others

Remuneration of Directors

During the year under review, none of the Non-Executive Directors has entered into pecuniary relationship or transaction with the Company.

The detailed criteria for making remuneration to Non- executive Director is mentioned in the Nomination and Remuneration Policy of the Company and is displayed at the website of the Company at http://www.advikindia.com/reports/policy/nomination_remuneration.pdf. At present, none of the Non- Executive Directors is drawing any remuneration from the Company.

Mr. Peeyush Kumar Aggarwal, Executive Promoter Director of the Company holds 19,57,159 equity shares of the Company as on 31st March, 2020. None of the Non Executive Directors including Independent Directors hold any equity shares of the Company as on 31st March, 2020.

During the financial year 2019-20, no Stock Options were granted to any of the Directors. Further, none of the Directors is getting remuneration from the Company.

III. Stakeholders' Relationship Committee:

In Compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board has formed an "Stakeholders' Relationship Committee". The Minutes of the Committee are circulated to the Board of Directors. Ms. Pooja Chuni acts as the Company Secretary and Compliance Officer of the Company.

The role of the committee shall inter-alia include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The committee met 4 times during the year i.e on 15th April, 2019, 12th July, 2019, 11th October, 2019 and 13th January, 2020.

The Composition of the Committee as on 31st March, 2020 and details of attendance of the Committee members at the meetings are given in the following table:

| Name of Members | Status | Number of meetings during the financial year 2019-20 | |
|--|---|--|----------|
| | | Held | Attended |
| Mr. Manoj Kumar Jain | Chairman, Non-Executive, Independent Director | 4 | 4 |
| Mr. Sachin Garg (Resigned w.e.f 23.04.2019) | Member, Executive Director | 4 | 1 |
| Mr. Peeyush Kumar Aggarwal (Appointed w.e.f. 23.04.2019) | Member, Executive Director | 4 | 3 |
| Ms. Madhu Sharma | Member, Non-Executive, Independent Director | 4 | 4 |

Details of Investor complaints received and redressed during the Financial Year 2019-20 are as follows:

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

IV. Risk Management Committee

The Company has a risk management programme which comprises of a series of processes, structures and guidelines to assist the Company to identify, assess, monitor and manage its business risks, including any material changes to its risk profile. The objectives and scope of the Risk Management Committee broadly comprises:

- (i) Oversight of the risk management performed by the executive management,
- (ii) Review of the risk management policy,
- (iii) Reviewing risks and initiating mitigation activities,
- (iv) Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

As per the provisions of SEBI (LODR) Regulations, 2015, the constitution of Risk Management Committee is not applicable to the Company and therefore the Board had decided to dissolve the same in its meeting held on 23-04-2019. Hence, the Risk Management Committee of the Board of the Company was dissolved w.e.f. 23-04-2019.

Annual General Meetings

The details of last three Annual General Meetings are as follows:

| Year | Date | Venue | Time |
|------|------------|---|------------|
| 2017 | 29.09.2017 | 138, Roz KaMeo Industrial Area, Sohna, Distt.Mewat, Haryana- 122103 | 10.15 A.M. |
| 2018 | 28.09.2018 | 138, Roz KaMeo Industrial Area, Sohna, Distt.Mewat, Haryana- 122103 | 10.00 A.M. |
| 2019 | 25.09.2019 | 138, Roz KaMeo Industrial Area, Sohna, Distt.Mewat, Haryana- 122103 | 09.30 A.M. |

Special Resolutions passed during the last three Annual General Meetings:

Two special resolutions were passed by the shareholders of the company in the previous Annual General Meeting held on 25.09.2019 related to Reappointment of Mr. Manoj Kumar Jain as an Independent Director of the Company for a second term of Five years u/s 149 & 152 of the Companies Act, 2013 and Sale of Manufacturing Unit of the Company u/s 180(1)(a) of the Companies Act, 2013 and as per the relevant provisions of SEBI (LODR) Regulations, 2015.

Apart from the above no other Special Resolution was passed by the shareholders of the Company during the previous three Annual General Meetings.

Postal Ballot

During the year under review, no resolution was passed through Postal Ballot.

Means of Communication

The quarterly audited/un-audited financial results are sent to all the Stock Exchanges where the Company's shares are listed i.e. BSE & ASE immediately after the conclusion of the Board Meetings.

The Company regularly publishes its Audited/Unaudited Financial Results, Notices of Board Meeting, E voting Notice and other Communications in the following Newspapers:

- For English Edition- Financial Express
- For Hindi Edition - Jansatta

The Company's website www.advikindia.com contains a separate section "Investor Information" where information for shareholders is available. The Company's website displays the information as stipulated under Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 such as Quarterly/Annual Financial Results, Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern, Policies, Investors' Contact details etc.

In addition, the Company makes use of this website for publishing official news release, if any.

General Shareholders' Information

Details of 26th Annual General Meeting of the Company

| | |
|------------|--|
| Day & Date | Thursday, 24 th December, 2020 |
| Time | 09:30 A.M. |
| Venue | 138, Roz KaMeo Industrial Area, Sohna, Distt. Mewat, Haryana- 122103 |

Tentative Calendar for the financial year ending 31st March, 2021

| Financial Reporting for the | Tentative time frame |
|--|-------------------------------------|
| First quarter ended 30th June, 2020 | First fortnight of September, 2020* |
| Second quarter ending 30th September, 2020 | First fortnight of November, 2020* |
| Third quarter ending 31st December, 2020 | First fortnight of February, 2021* |
| Fourth quarter ending 31st March, 2021 | By the end of May, 2021* |

- The above calendar is subject to relaxations provided by Securities and Exchange Board of India (SEBI) from time to time on account of ongoing COVID-19 Pandemic.

Date of Book Closure

From 18th December, 2020 to 24th December, 2020 (both days Inclusive) for the purpose of Annual General Meeting.

Listing on Stock Exchanges

| Name and Address of the Stock Exchanges | Stock Code |
|--|---------------------|
| The Bombay Stock Exchange Ltd (BSE) 1st Floor, P.J. Towers, Dalal Street, Mumbai-400001 | Scrip Code-- 531686 |
| Ahmedabad Stock Exchange Limited, 1st Floor, Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ahmedabad – 380015 | Scrip Code-- 01636 |

Listing Fees

The Listing Fees of the Bombay Stock Exchange (BSE) for the FY 2019-20 & 2020-21 is pending. The Company is in the process of making the payment of the same.

Further, BSE has vide its Circular no. LIST/COMP/OPS/ 16 /2019-2020 dated June 11, 2019 and Notice no. 20190903-37 dated September 3, 2019 has initiated action against the company by freezing the Demat accounts of its Promoter and Promoter Group for all debits and further the shares of the company are also marked as suspended for trading on BSE's web portal w.e.f. 12th March, 2020 due to nonpayment of its annual listing fees. Our Company has sought a time upto 31st March, 2021 from the Exchange to clear its outstanding fees.

Stock Market Data

The Company's equity shares are listed at Bombay Stock Exchange Ltd. (BSE) and Ahmedabad Stock Exchange Ltd. (ASE). Since there was no trading in the shares of the company at ASE, the share price market data is not available from ASE.

The monthly high and low quotations of equity shares traded on the Bombay Stock Exchange Limited during the financial year 2019-20 are as follows:

Share prices on Bombay Stock Exchange Limited (BSE Ltd.)* are as under:-
From April, 2019 to March, 2020

| Month | Open | High | Low | Close | No. of Shares | No. of Trades | Total Turnover | Deliverable Quantity | % Deli. Qty to Traded Qty | * Spread | |
|--------|------|------|------|-------|---------------|---------------|----------------|----------------------|---------------------------|----------|-----|
| | | | | | | | | | | H-L | C-O |
| Apr 19 | 1.90 | 1.90 | 1.85 | 1.85 | 3,279 | 17 | 6,176 | 3,279 | 100.00 | 0.05 | - |
| May 19 | 1.85 | 1.94 | 1.62 | 1.62 | 2,774 | 15 | 4,834 | 2,774 | 100.00 | 0.32 | - |
| Jun 19 | 1.56 | 1.63 | 1.36 | 1.36 | 4,556 | 22 | 6,953 | 4,556 | 100.00 | 0.27 | - |
| Jul 19 | 1.36 | 1.36 | 1.03 | 1.03 | 6,173 | 22 | 7,328 | 6,173 | 100.00 | 0.33 | - |
| Aug 19 | 0.98 | 0.99 | 0.88 | 0.96 | 10,463 | 19 | 9,744 | 10,463 | 100.00 | 0.11 | - |
| Sep 19 | 0.92 | 0.92 | 0.77 | 0.81 | 3,089 | 15 | 2,604 | 3,089 | 100.00 | 0.15 | - |
| Oct 19 | 0.81 | 0.81 | 0.55 | 0.59 | 8,979 | 36 | 5,858 | 8,979 | 100.00 | 0.26 | - |
| Nov 19 | 0.57 | 0.59 | 0.44 | 0.44 | 16,357 | 40 | 8,427 | 16,357 | 100.00 | 0.15 | - |
| Dec 19 | 0.44 | 0.44 | 0.36 | 0.37 | 14,673 | 33 | 5,609 | 14,673 | 100.00 | 0.08 | - |
| Jan 20 | 0.37 | 0.37 | 0.32 | 0.33 | 13,941 | 35 | 4,999 | 13,941 | 100.00 | 0.05 | - |
| Feb 20 | 0.33 | 0.37 | 0.33 | 0.35 | 6,741 | 26 | 2,364 | 6,741 | 100.00 | 0.04 | - |
| Mar 20 | 0.35 | 0.36 | 0.34 | 0.36 | 8,955 | 21 | 3,103 | 8,955 | 100.00 | 0.02 | - |

Source: BSE's Website

Further, BSE has vide its Circular no. LIST/COMP/OPS/ 16 /2019-2020 dated June 11, 2019 and Notice no. 20190903-37 dated September 3, 2019 has initiated action against the company by freezing the Demat accounts of its Promoter and Promoter Group for all debits and further the shares of the company are also marked as suspended for trading on BSE's web portal w.e.f. 12th March, 2020 due to nonpayment of its annual listing fees.

ISIN No.

The Company's Demat International Security Identification Number (ISIN) for its equity shares in NSDL and CDSL is INE 537C 01019.

Name and Address of the Registrar and Share Transfer Agent (RTA):**MAS Services Limited**

T-34, IIInd Floor

Okhla Industrial Area

Phase-II, New Delhi 110020

Tel :-011-26387281/82/83, Fax no.: +91-11-2638 7384

E-mail:info@masserv.com

Share Transfer System:

The Company's equity shares which are in dematerialized form are transferable through the dematerialized system. Shares transfers are processed by Registrar and Share Transfer Agent, M/s **MAS Services Limited** and approved by the Stakeholders Relationship Committee of the Board. All the shareholders who are holding shares of the company in physical form are requested to get their shares dematerialised.

Reconciliation of Share Capital Audit Report:

A practicing Company Secretary carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit report confirms that the total issued/ paid up capital is in consonance with the total number of shares in physical form and the total number of dematerialized shares held with the depositories.

Distribution of Shareholding as on 31st March, 2020:

| Nominal Value of Each Share : Rs. 10 | | | | | |
|---|---------------------------|-----------------------|----------------------------------|---|-------------------------|
| Share or Debenture holding Nominal Value | Number of Shareholders | % to Total Numbers | Share or Debenture holding | Share or Debenture holding Amount | % to Total Amount |
| (Rs.) | | | | (Rs.) | |
| 1 | 2 | 3 | 4 | 5 | 6 |
| Up To 5,000 | 3068 | 66.62 | 718298 | 7182980 | 03.76 |
| 5001 To 10,000 | 773 | 16.79 | 703149 | 7031490 | 03.68 |
| 10001 To 20,000 | 372 | 08.08 | 614870 | 6148700 | 03.21 |
| 20001 To 30,000 | 123 | 02.67 | 321765 | 3217650 | 01.68 |
| 30001 To 40,000 | 46 | 01.00 | 169371 | 1693710 | 00.89 |
| 40001 To 50,000 | 64 | 01.39 | 305729 | 3057290 | 01.60 |
| 50001 To 1,00,000 | 90 | 01.95 | 680344 | 6803440 | 03.56 |
| 1,00,000 and Above | 69 | 01.50 | 15597874 | 155978740 | 81.62 |
| Total | 4605 | 100.00 | 19111400 | 191114000 | 100.00 |

Dematerialisation of Shares and Liquidity

The Company shares are traded in dematerialized form and have to be delivered in the dematerialized form to all Stock Exchanges. To enable shareholders an easy access to the de-mat system, the Company has executed agreements with both existing Depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). M/s. MAS Services Ltd. is the Registrar and Transfer Agent of the Company for the purposes of electronic connectivity for effective dematerialization of shares. As of 31st March, 2020 shares comprising approximately 99.94% of the Company's Equity Share Capital have been dematerialized.

Status of Dematerialised Shares as on 31st March, 2020 (Equity ISIN No. INE 537C 01019)

| Shares Held through | No. of Shares | Percentage of Holding |
|---------------------|-----------------|-----------------------|
| NSDL | 14935117 | 78.15 |
| CDSL | 4165003 | 21.79 |
| Physical | 11280 | 0.06 |
| Total | 19111400 | 100.00 |

Shareholding Pattern of the Company as on 31st March, 2020

| Category | No. of Shares held | % of share holding |
|---|--------------------|--------------------|
| A. Promoters' holding | | |
| Promoters | | |
| Indian Promoters | | |
| • Individual | 19,57,159 | 10.24 |
| • Bodies Corporates | 49,02,322 | 25.65 |
| Foreign Promoters | Nil | Nil |
| 2. Persons Acting in Concert | Nil | Nil |
| Sub-total (A) | 68,59,481 | 35.89 |
| B. Non-Promoters' holding | | |
| 3. Institutional Investors | | |
| a. Mutual Funds & UTI | Nil | Nil |
| b. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-government Institutions) | Nil | Nil |
| c. FIIs | Nil | Nil |
| Sub-total | Nil | Nil |
| 4. Non Institutional Investors | | |
| a. Bodies Corporate | 58,73,407 | 30.73 |
| b. individuals | | |
| -Individual shareholders holding nominal share capital up to Rs. 2 Lakhs | 38,20,457 | 19.99 |
| -Individual shareholders holding nominal share capital up in excess of Rs. 2 Lakhs | 23,95,023 | 12.53 |
| c. Any Other | | |
| NRI | 14,716 | 0.08 |
| NBFCs | 1,10,280 | 0.58 |
| Clearing Members | 38,036 | 0.20 |
| Sub-total (B) | 1,22,51,919 | 64.11 |
| Grand Total (A)+(B) | 1,91,11,400 | 100.00 |

ADRs/GDRs/Warrant:

The Company has not issued any ADRs/GDRs/Warrants or any other convertible instruments during the year under review.

Commodity Price Risk or Foreign Exchange Risk And Hedging Activities:

The Company is not involved into any activities relating to commodities price risks and hedging thereof.

Brief profile of the Directors liable to retire by rotation and others:

Brief resumes of the Director who is proposed to be re-appointed is furnished in the Directors' Report forming part of this Annual Report.

Address for Correspondence**Corporate Office:-**

Advik Laboratories Limited
703, Arunachal Building,
19, Barakhamba Road, Connaught Place,
New Delhi – 110001
Phones: 011 – 42424884, Fax: 011 – 43571047
Email id: mail@advikindia.com

CIN Number: L74899HR1994PLC038300

Plant Location

138, Roz- Ka- Meo Industrial Area,
Sohna, Distt. Mewat
Haryana – 122103

Investor's Correspondence may be addressed to

The shareholders desiring to communicate with the Company on any matter relating to their shares of the Company may either visit in person or write quoting their Folio Number at the following address:

**The Company Secretary,
Advik Laboratories Limited
703, Arunachal Building,
19, Barakhamba Road, Connaught Place,
New Delhi – 110001, Phone: 011 – 42424884
Fax: 011 – 43571047
Email id: mail@advikindia.com**

The Company is also maintaining a separate e-mail id. investor@advikindia.com for registering the investor Complaints and Grievances.

SEBI Complaints Redress System (SCORES):

SCORES, i.e., a SEBI Complaints Redress System is a centralized web based complaints redress system which serves as a centralised database of all Complaints received enables uploading of Action Taken Reports (ATR's) by the concerned Companies & online viewing by the investors of actions taken on the Complaint & its current status. Your Company is registered with SEBI under the SCORES system.

Prohibition of Insider Trading:

In compliance with SEBI's Regulations on Prevention of Insider Trading, the Company has formulated a Code of Conduct for prohibition and prevention of Insider Trading for all the Directors, Officers and the designated employees of the Company. The Code lays down the Guidelines and procedures to be followed and disclosures to be made while dealing with equity shares of the Company.

CEO/CFO Certification:

The Chief Financial Officer of the company has issued certificate pursuant to Regulation 17(8) read with Part B of Schedule II of the Listing Regulations certifying that the financial statements and the cash flow statement do not contain any untrue statements and these statements represent a true and fair view of the Company's affairs. The same is annexed to this Report.

Auditors' Certificate on Corporate Governance

A Certificate has been obtained from the Auditors of the Company regarding compliance with the provisions relating to Corporate Governance laid down in Schedule V (E) of the SEBI (LODR) Regulations, 2015. The same is annexed to this report.

Disclosures:

- (i) The policy on related party transaction is available in the website of the Company i.e. http://www.advikindia.com/index.php?option=com_content&view=article&id=56&Itemid=57.
- (ii) During the year under review, BSE has vide its Circular no. LIST/COMP/OPS/ 16 /2019-2020 dated June 11, 2019 and Notice no. 20190903-37 dated September 3, 2019 has initiated action against the company by freezing the Demat accounts of its Promoter and Promoter Group for all debits and further the shares of the company are also marked as suspended for trading on BSE's web portal w.e.f. 12th March, 2020 due to nonpayment of its annual listing fees.
Apart from the above, there was no instance of non-compliance and no penalties or strictures were imposed on the Company by any Stock Exchanges or SEBI or any other Statutory Authorities on any matter related to the Capital Markets during the last three years.
- (iii) The Company has formulated a Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company. The Whistle Blower Policy/Vigil Mechanism policy is available in the website of the Company i.e. http://www.advikindia.com/reports/policy/whistle_blower.pdf. Further, no employee has been denied access to the Audit Committee.

- (iv) The Company has complied with all the mandatory requirements of Corporate Governance of the Listing Regulations as are applicable to the company. The Company also endeavours to follow Non-Mandatory requirements.
- (v) The Company is not involved into activities relating to commodity price risks and hedging thereof

Details of Compliance with mandatory requirements and adoption of non-mandatory requirements of the Listing Regulations:

The Company has complied with all the Mandatory requirements as prescribed under the SEBI (LODR) Regulations, 2015 to the extent applicable, including Corporate Governance requirements as specified under Regulation 17 to 27 and Clause (b) to (i) of Sub- Regulation (2) of Regulation 46 of the Listing Regulations as applicable to the Company.

A Certificate from M/s. RMA and Associates LLP, the statutory auditors of the company confirming compliance with the conditions of corporate governance as specified under Schedule V (E) of the Listing Regulations is annexed to this Report. Further, the Company has also complied with all requirements about disclosures in the Corporate Governance Report, as specified in sub para (2) to (10) of Clause C of Schedule V of the Listing Regulations.

Non- Mandatory requirements of Regulation 27(1) and Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. The quarterly/half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website.
2. The Internal Auditors report to the Audit Committee.

Disclosure of Accounting Treatment:

The financial statements for the financial year 2019-20 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies to the extent applicable. The company has for the first time adopted Ind AS w.e.f. April 01, 2017 with a transition date of April 1, 2016.

Details of fees paid by the Company to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part as per Clause 10(k), Part C of Schedule V of SEBI (LODR) Regulations, 2015:

During the year under review, the Company has paid to its Statutory Auditors the total fees of Rs. 85,000/- (exclusive of GST) for Audit and related services. Further, apart from the above fees, no fees had been paid by the Company to any network firm/network entity of which the statutory auditor is a part.

Green Initiative in Corporate Governance:

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing service of documents by a Company to its Members through electronic mode. The move of the Ministry allows public at large to contribute to the green movement.

Keeping in view the underlying theme, the Company will continue to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditor's report etc., in electronic form, to the email address provided by the members to the Depositories or to the Company.

To support this green initiative in full measure, members/ Promoters who have not registered their E-mail address and PAN Number. so far, are requested to register their E-mail address and PAN Number and their Bank Account details, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to fill their e-mail address and PAN Number and Bank Account Details for our records in the registration form which can be downloaded from the Company's website i.e. www.advikindia.com for sending the documents in electronic form or else sent a request letter directly to the Company mentioning their E-mail address and PAN No. and Bank Account Details alongwithself attested copy of their PAN Card. Necessary communication in this regard has already been sent separately to the shareholders by the Company.

Dematerialization of Shares

Shareholders are requested to convert their physical holding to demat/electronic form through any of the Depository Participants to avoid any possibility of loss, mutilation etc. of physical share certificates and also to ensure safe and speedy transaction in securities.

Further, SEBI vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated 08-06-2018 has come out with SEBI (Listing Obligations and Disclosure Requirements) (fourth Amendment) Regulations, 2018 ("The New Regulations") to further amend the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The New Regulations shall come into force on the 180th day from the date of its publication in the official gazette i.e. 08.06.2018 (Effective Date of implementation is December 5, 2018). The New Regulations have inter alia amended the Regulation 40 of SEBI (LODR) Regulations, 2015 and as per amended Regulation 40, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository except in the cases of transmission or transposition of securities. In view of above amended Regulation, you are requested to open a de-mat account with a Depository Participant (DP) and deposit your physical shares with such DP and get your shares de-mat at the earliest, to avoid any kind of inconvenience. Necessary communication in this regard has already been sent separately to the shareholders by the Company.

Consolidation of Multiple Folios:

Shareholders, who have multiple folios in identical names, are requested to apply for consolidation of such folios and the relevant share certificates to the Company/its Registrar and Transfer Agent.

Updation of Registered Address with the Company:

Shareholders are requested to update their addresses registered with the Company directly through the Share Transfer Agent, to receive all communications promptly. Shareholders holding shares in electronic form are requested to deal only with their Depository Participants in respect of change of address.

Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account pursuant to SEBI Circular No. SEBI/LAD-NRO/GN/2015 - NOT APPLICABLE

Code of Conduct

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel. The Code of Conduct is also available on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.

Declaration of Compliance of the Code of Conduct in terms of Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

"In terms of Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and as per affirmation received from the Directors and the Members of Senior Management Personnel of the Company, I hereby declare that Directors & the Members of Senior Management of the Company have complied with the Code Of Conduct during the F.Y. 2019-20 .

For and on Behalf of the Board of Directors of
Advik Laboratories Ltd.

Sd/-
(Peeyush Kumar Aggarwal)
Chairman
DIN : 00090423

Date: 27th November, 2020
Place: New Delhi

AUDITOR' S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of
Advik Laboratories Limited

We have examined the compliance of conditions of Corporate Governance by Advik Laboratories Limited for the year ended 31st March, 2020 as per the provisions of SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) and Regulations 17 to 27 and other applicable Regulations and Schedules thereof of the Listing Regulations for the Financial Year 2019-20.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as applicable.

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

For M/s. RMA & Associates LLP
Chartered Accountants
Firm Reg. No. 000978N/N500062
Sd/-
Amit Jain
Partner
Membership No. 503109

Place : New Delhi
Dated :29th July, 2020

CEO/CFO Certification

This is to certify to the Board that:

- a. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2020 and that to the best of our knowledge and belief state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the year, whenever applicable;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. that there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Advik Laboratories Limited
Sd/-
Manoj Kumar Bhatia
Chief Financial Officer
(PAN: AAZPB5897R)

Place : New Delhi
Dated :29th July, 2020

INDEPENDENT AUDITORS' REPORT

To the Members of
Advik Laboratories Limited,

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

We have audited the accompanying Financial Statements of ADVIK LABORATORIES LIMITED ("The Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a 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, except for the effect of the matters described in the "*Basis for Qualified Opinion*" section below, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of the affairs of the Company as at 31st March, 2020, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- a) Due to default in payments of bank loans, the company's accounts have been classified as Non-Performing Assets (NPA) by the bank. Indian Overseas Bank has not charged interest on Cash credit & Term Loan Limits. During the period under review no provision has been made for such interest in the books of account of the company and to that extent bank's loan liability and total loss is understated by Rs. 726.46 lacs plus penal charges that the bank may charge. The amount disclosed in the Financial Statements is subject to confirmation, reconciliation and adjustments, if any.
- b) The company had recorded the cost of the investment at the face value of the equity shares issued and had not determined the fair value as required by Ind AS. The shares were not made available for physical verification. Hence, we are unable to comment upon the physical existence and express an opinion on the value of investment recorded.
- c) Trade Receivable, Trade Payable, and Loans & Advances given & taken are subject to confirmation, reconciliation, adjustments & provisions, if any which may arise out of confirmation and reconciliation. Absence of recoveries from most of the parties since several years indicates the existence of uncertainty that may cast doubts on the recoverability of the debtors, loans and advances. However as per the management no provision is required as the balances are considered good and recoverable.
- d) The stock of raw material and work in progress has been valued at cost price. In the current year there has been no production, it may have impact on profitability to the extent of its cost less realizable amount if any.
- e) The Capital work in Progress has been stalled. The physical conditions of these assets under construction require technical evaluation to determine impairments or write offs, if any. However in view of the management the suspension is temporary in nature and assets under construction are not obsolete, and the company will be able to resume construction activities in near future and accordingly no provision is required.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the 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.

In addition to the matters described in the Basis for Qualified Opinion section above, we have determined there are no other matters to communicate in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility

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 scepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 auditor's 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, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act. read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements- Refer Note No. 24 to the Financial Statements;
 - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses and;
 - iii. According to the information and explanations given to us, there was no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Place: New Delhi
Dated : 29th July, 2020

For M/s. RMA & Associates LLP
Chartered Accountants
Firm Regn .No. 000978N/N500062
Sd/-
(Amit Jain)
Partner
Membership No. 503109

ANNEXURE "A" TO THE INDEPENDENT

The Annexure referred to in our report of even date

1. In respect of Fixed Assets of the Company:
 - (a) Accordingly to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
 - (b) Accordingly to the information and explanations given to us, the fixed assets of the company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification as compared to books of accounts.
 - (c) Accordingly to the information and explanations given to us and on the basis of examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. According to the information and explanation given to us, Physical verification of inventory has been conducted at reasonable intervals by the Management of the Company, and no material discrepancies were noticed on physical verification conducted by the management
3. Accordingly to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. Therefore, the provision of clause (iii) of Para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees and security to any Director or to any other person in whom Director is interested in compliance with the section 185 & 186 of the Act.
5. The company has not accepted any deposits. Therefore, the provision of clause (v) of Para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
6. As per notification no. F.No.1/40/2013-CL-V dated 31.12.2014 maintenance of cost records has not been prescribed by the Central Government U/s. 148(1) of the Companies Act, 2013.
7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account of Company, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable with the appropriate authorities.

According to the information and explanation given to us, no other undisputed amounts are payable on account of provident fund, employees state insurance, income-tax, service tax, duty of customs, duty of excise, value added tax, as at 31.03.2020 for a period of more than six months from the date they become payable except annual listing fee of Rs. 319950/- payable to BSE.

(b) According to the information's and explanations given to us there are no pending dues in respect of Sales Tax, Wealth Tax, Service Tax, Value Added Tax, Duty of Customs and Cess which has not been deposited on account of any dispute.
8. According to information & explanation given to us and based on the documents and records produced before us, the company is not regular in depositing of its dues with their banker **Indian Overseas bank**, due to that banker has considered the company account as NPA.

| Sr. No. | Principal due Amount in INR | Nature of Credit Facility | Remarks |
|---------|-----------------------------|---------------------------|--|
| 1. | 374.99 Lacs | Term Loan | Both Term Loans & Cash Credit Accounts are become NPA since 01.07.2014. Due to that interest of Rs. 726.46 on Term Loan & CC limits as on 31.03.2020 has not been accounted for. |
| 2. | 248.15 Lacs | Cash Credit Limit | |

9. According to the information & explanation given to us and the records of the Company examined by us the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year under audit, nor have we been informed of any such case by the Management.
11. No Managerial Remuneration is paid by the company during the year hence provisions of Section 197 read with Schedule V to Companies Act, 2013 are not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of Para 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
13. Based on our audit procedures and according to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Therefore, the provisions of clause (xv) of Para 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
16. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place: New Delhi
Dated : 29th July, 2020

For M/s. RMA & Associates LLP
Chartered Accountants
Firm Regn .No. 000978N/N500062
Sd/-
(Amit Jain)
Partner
Membership No. 503109

ANNEXURE "B" To THE INDEPENDENT AUDITOR'S REPORT OF "ADVIK LABORATORIES LIMITED" FOR THE YEAR ENDED 31st MARCH 2020.

Report on the internal Financial Controls under Clause (i) of Sub-Section 143 of the Companies Act 2013.

Report on the Internal Financial Controls

We have audited the Internal Finance Controls over financial reporting of "ADVIK LABORATORIES LIMITED" (the Company) as of 31st March 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls.

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the institute of Chartered Accountants of India (ICAI) 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, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi
Dated : 29th July, 2020

For M/s. RMA & Associates LLP
Chartered Accountants
Firm Regn .No. 000978N/N500062
Sd/-
(Amit Jain)
Partner
Membership No. 503109

Balance Sheet as at March 31, 2020

(Amount in Rs.)

| Particulars | Note No. | As at 31.03.2020 | As at 31.03.2019 |
|--------------------------------------|----------|---------------------|---------------------|
| I ASSETS | | | |
| (1) Non-Current assets | | | |
| (a) Property, Plant and Equipment | 3 | 5,25,85,274 | 5,88,27,135 |
| (b) Capital work-in-progress | | 5,02,19,024 | 5,42,67,024 |
| (c) Financial Assets | | | |
| (i) Non Current Investments | 4 | 92,30,000 | 92,30,000 |
| (ii) Other non-current assets | 5 | 90,057 | 47,864 |
| Total Non-Current Assets | | 11,21,24,355 | 12,23,72,023 |
| (2) Current assets | | | |
| (a) Inventories | 6 | 57,03,248 | 57,11,322 |
| (b) Financial Assets | | | |
| (i) Investments | | - | - |
| (ii) Trade receivables | 7 | 2,53,33,932 | 2,61,34,243 |
| (iii) Cash and cash equivalents | 8 | 1,21,927 | 1,56,501 |
| (iv) Current Loans | 9 | 2,08,06,158 | 2,11,50,798 |
| (d) Other current assets | 10 | 27,171 | 46,221 |
| Total Current Assets | | 5,19,92,436 | 5,31,99,085 |
| Total Assets | | 16,41,16,791 | 17,55,71,108 |
| II EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 11 | 19,11,14,000 | 19,11,14,000 |
| (b) Other Equity | 12 | (10,74,82,322) | (9,58,42,080) |
| | | 8,36,31,678 | 9,52,71,920 |
| LIABILITIES | | | |
| (1) Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13 | - | - |
| (b) Provisions | 14 | 12,91,245 | 11,56,899 |
| (c) Deferred tax liabilities (Net) | 15 | 61,54,990 | 68,51,283 |
| (d) Other non-current liabilities | | - | - |
| Total Non-Current Liabilities | | 74,46,235 | 80,08,182 |
| (2) Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13 | 2,53,52,623 | 2,50,53,012 |
| (ii) Trade payables | | 14,73,243 | 16,29,837 |
| (b) Other current liabilities | 16 | 4,62,13,012 | 4,56,08,157 |
| (c) Provisions | | - | - |
| Total Current Liabilities | | 7,30,38,878 | 7,22,91,006 |
| Total Equity and Liabilities | | 16,41,16,791 | 17,55,71,108 |

III NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-40

For RMA & Associates LLP

For and on behalf of the Board of Directors of Advik Laboratories Limited

Chartered Accountants

Firm Regn. No. : 000978N/N500062

Sd/-

(Amit Jain)

Partner

Membership No. 503109

Sd/-

(Peeyush Kumar Aggarwal)

Chairman

DIN:00090423

Sd/-

(Ram Niwas Sharma)

Director

DIN: 08427985

Sd/-

(Manoj Bhatia)

CFO

Sd/-

(Pooja Chuni)

Company Secretary

Place: New Delhi

Date: 29th July, 2020

Statement of Profit and Loss for the year ended March 31, 2020

(Amount in Rs.)

| Particulars | Note No. | As at 31.03.2020 | As at 31.03.2019 |
|---|----------|----------------------|----------------------|
| INCOME | | | |
| I Revenue From Operations | 17 | 43,645 | 82,81,090 |
| II Other Income | 18 | 1,05,921 | 1,68,920 |
| III Total Income (I+II) | | 1,49,566 | 84,50,010 |
| EXPENSES | | | |
| IV Cost of materials consumed/expired | 19 | 8,074 | 33,840 |
| Purchases of Stock-in-Trade | | - | 82,15,605 |
| Changes in inventories of finished goods, Stock-in -Trade and work-in-progress | 20 | - | - |
| Employee benefits expense | 21 | 45,04,707 | 48,56,757 |
| Finance costs | 22 | 1,789 | 2,424 |
| Depreciation and amortization expense | 3 | 57,25,512 | 58,79,029 |
| Other expenses | 23 | 22,74,246 | 23,92,205 |
| Total expenses (IV) | | 1,25,14,328 | 2,13,79,860 |
| V Profit/(loss) before exceptional items and tax (III-IV) | | (1,23,64,762) | (1,29,29,850) |
| VI Exceptional Items | | - | - |
| VII Profit/(loss) before tax (V-VI) | | (1,23,64,762) | (1,29,29,850) |
| Tax expense: | | | |
| VIII (1) Current tax | | - | - |
| (2) Deferred tax | | (6,96,293) | (4,69,394) |
| IX Profit (Loss) after Tax | | (1,16,68,469) | (1,24,60,456) |
| X Other Comprehensive Income | | | |
| Remeasurement of net defined benefit liability or asset: | | 28,227 | 1,31,694 |
| XI Total Comprehensive Income for the period | | (1,16,40,242) | (1,23,28,762) |
| XII Earnings per equity share | | | |
| (1) Basic | | (0.61) | (0.65) |
| (2) Diluted | | (0.61) | (0.65) |

XIII NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-40

For RMA & Associates LLP

Chartered Accountants

Firm Regn. No. : 000978N/N500062

For and on behalf of the Board of Directors of Advik Laboratories Limited

Sd/-

(Amit Jain)

Partner

Membership No. 503109

Sd/-

(Peeyush Kumar Aggarwal)

Chairman

DIN:00090423

Sd/-

(Ram Niwas Sharma)

Director

DIN: 08427985

Sd/-

(Manoj Bhatia)

CFO

Sd/-

(Pooja Chuni)

Company Secretary

Place: New Delhi

Date: 29th July, 2020

Cash Flow Statement for the year ended March 31, 2020

| Particulars | As at 31.03.2020 (Rs.) | As at 31.03.2019 (Rs.) |
|--|---------------------------|---------------------------|
| A. Cash Flow from operating activities | | |
| Net profit before tax and extraordinary items | (1,23,64,762) | (1,29,29,850) |
| Add: Adjustment for Depreciation | 57,25,512 | 58,79,029 |
| Provision for Gratuity | 2,09,866 | 1,89,947 |
| Provision for Leave Encashment | 55,646 | 53,737 |
| Interest & Other Costs | 1,789 | 2,424 |
| Interest Received | (75,902) | (98,201) |
| Loss on sale of assets | 26,348 | - |
| Operating profit before working capital changes | (64,21,503) | (69,02,914) |
| Adjustment for: | | |
| Increase / (Decrease) in Trade Payables | (1,56,594) | 2,57,583 |
| Increase / (Decrease) in Current Liabilities | 5,01,916 | 3,60,492 |
| (Increase) / Decrease in Trade Receivables | 8,00,311 | 1,24,33,521 |
| (Increase) / Decrease in Loans & Advances | 3,44,640 | (1,51,144) |
| (Increase) / Decrease in Non Current Assets | (42,193) | (9,605) |
| (Increase) / Decrease in Other Current Assets | 19,050 | (14,360) |
| (Increase) / Decrease in Inventories | 8,074 | 33,840 |
| Cash Generated From Operations | 14,75,204 | 1,29,10,327 |
| Net Cash from operating activities | (49,46,299) | 60,07,413 |
| B. Cash flow from investing activities | | |
| Proceeds from change in Capital Advances | 40,48,000 | (22,03,000) |
| Proceeds from sale of Property, Plant & Equipments | 4,90,000 | - |
| Interest Received | 75,902 | 98,201 |
| Net cash outflow from investing activities | 46,13,902 | (21,04,799) |
| C. Cash Flow from financing activities | | |
| Proceeds (Repayment) of long term borrowings | 2,99,611 | (38,99,201) |
| Interest Paid | (1,789) | (2,424) |
| Net cash used in financial Activities | 2,97,822 | (39,01,625) |
| Net Increase/ (Decrease) in cash (A+B+C) | (34,575) | 989 |
| Cash & Cash Equivalents (Opening balance) | 1,56,501 | 1,55,512 |
| Cash & Cash Equivalents (Closing balance) | 1,21,926 | 1,56,501 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-40

For RMA & Associates LLP

For and on behalf of the Board of Directors of Advik Laboratories Ltd.

Chartered Accountants

Firm Regn. No. : 000978N/N500062

Sd/-

(Amit Jain)

Partner

Membership No. 503109

Sd/-

(Peeyush Kumar Aggarwal)

Chairman

DIN:00090423

Sd/-

(Ram Niwas Sharma)

Director

DIN: 08427985

Sd/-

(Manoj Bhatia)

CFO

Sd/-

(Pooja Chuni)

Company Secretary

Place: New Delhi

Date: 29th July, 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

NOTE NO. 1

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR 31ST MARCH 2020

| Particulars | Equity Share capital | Reserve & surplus | Other comprehensive Income | Total | Total Equity & Other Equity |
|---|----------------------|-------------------|----------------------------|---------------|-----------------------------|
| Balance as of April 1, 2018 | 19,11,14,000 | (8,38,16,459) | 3,03,141 | (8,35,13,318) | 10,76,00,682 |
| Changes in the Equity for the year ended March 31, 2019 | | | | | |
| Remeasurement of net defined benefits Liability | | | 1,31,694 | 1,31,694 | 1,31,694 |
| Loss for the period | | (1,24,60,456) | | (1,24,60,456) | (1,24,60,456) |
| Balance as of March 31, 2019 | 19,11,14,000 | (9,62,76,915) | 4,34,835 | (9,58,42,080) | 9,52,71,920 |

| Particulars | Equity Share capital | Reserve & surplus | Other comprehensive Income | Total | Total Equity & Other Equity |
|---|----------------------|-------------------|----------------------------|----------------|-----------------------------|
| Balance as of April 1, 2019 | 19,11,14,000 | (9,62,76,915) | 4,34,835 | (9,58,42,080) | 9,52,71,920 |
| Changes in the Equity for the year ended March 31, 2019 | | | | | |
| Remeasurement of net defined benefits Liability | | | 28,227 | 28,227 | 28,227 |
| Loss for the period | | (1,16,68,469) | | (1,16,68,469) | (1,16,68,469) |
| Balance as of March 31, 2020 | 19,11,14,000 | (10,79,45,384) | 4,63,062 | (10,74,82,322) | 8,36,31,678 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-40

For RMA & Associates LLP

Chartered Accountants

Firm Regn. No. : 000978N/N500062

For and on behalf of the Board of Directors of Advik Laboratories Limited

Sd/-

(Amit Jain)

Partner

Membership No. 503109

Sd/-

(Peeyush Kumar Aggarwal)

Chairman

DIN:00090423

Sd/-

(Ram Niwas Sharma)

Director

DIN: 08427985

Sd/-

(Manoj Bhatia)

CFO

Sd/-

(Pooja Chuni)

Company Secretary

Place: New Delhi

Date: 29th July, 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**2 COMPANY OVERVIEW & SIGNIFICANT ACCOUNTING POLICIES****I COMPANY OVERVIEW**

Advik Laboratories Limited is Public limited company, incorporated under the Indian Companies Act, 1913, having its registered office in Sohna, Haryana and is listed on BSE Ltd & ASE Ltd. The Company is engaged in manufacturing, marketing, trading and export of Pharmaceutical Products. The Company has its own manufacturing facility at Sohna. The Company has various independent contract/third party manufacturers based across the country.

II SIGNIFICANT ACCOUNTING POLICIES**a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time by the Ministry of Corporate Affairs (MCA), the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Financial statements of the company are prepared under the historical cost convention except for the certain financial assets and liabilities measured at fair value as mentioned in applicable accounting policies.

b. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements is in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

The estimates and underlying assumptions are reviewed on going concern basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, in the period of the revision and future periods if the revision affects both current and future

c. CLASSIFICATION OF EXPENDITURE/INCOME

Except Otherwise Indicated:-

- (i) All expenditure and income are accounted for under the natural heads of account.
- (ii) All expenditure and income are accounted for on accrual basis except when ultimate realisation of income is uncertain.

d. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e. REVENUES

(i) Revenues from sales of goods are recognized when the significant risk and rewards of the ownership of the goods have been transferred to the buyer, recovery of the consideration is probable, the associated costs and involvement with, the goods and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards normally happen upon shipment.

(ii) Sales returns / rate differences are adjusted from the sales of the year in which the returns take place / rate differences accepted.

(iii) Further, revenues are recognized at gross value of consideration received excluding the amount of Goods & Service Tax(GST).

f. PROPERTY, PLANT AND EQUIPMENT (PPE)**Recognition and measurement:**

Property, plant and equipment are initially recognized at cost of acquisition or construction after deducting refundable purchase taxes and including the cost directly attributable for bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by the management, borrowing cost in accordance with the established accounting policy, cost of restoring and dismantling, if any, initially estimated by the management. After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis. Depreciation on plant & equipment's are provided as per below schedule:-

| Type of Asset | Period |
|---------------------|----------|
| Factory Building | 30 years |
| Plant & Machinery | 15 years |
| Computer Equipment | 3 years |
| Vehicle | 8 years |
| Furniture & Fixture | 10 years |

The carrying amount of the all property, Plant and equipment are derecognized on its disposal or when no future economic benefits are expected from its use or disposal and the gain or loss on de-recognition is recognized in the statement of profit & loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances and cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

g. INVENTORIES

Raw materials, stock-in-trade, work-in-progress, finished goods and packing materials are valued at the lower of weighted average cost and net realizable value. Cost of finished goods and work-in-progress includes cost of materials, direct labour and an appropriate portion of overheads to bring the inventory to the present location and condition. Stores and maintenance spares are valued at average cost.

The net realizable value of work-in-progress is determined with reference to the selling price of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Obsolete stocks are identified every year on the basis of technical evaluation and are charged off to revenue.

Finished goods expiring within 90 days(near expiry inventory) as at the balance sheet date have been fully provided for.

h. TRADE RECEIVABLES

Trade receivables represents amount billed to customers as credit sales and are net off;

- a. any amount billed but for which revenues are reversed under the different accounting standard and
- b. Impairment for trade receivables, which is estimated for amounts not expected to be collected in full."

i. FINANCIAL INSTRUMENTS**Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables/payables and where cost of generation of fair value exceeds benefits, which are initially measured at transaction price. Transaction costs directly related to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities through profit & loss account) are added to or deducted from the cost of financial assets or financial liabilities. Transaction cost directly attributed to the acquisition of financial assets or financial liabilities at fair value through profit & loss account are recognized immediately in the statement of profit & loss.

Subsequent measurement

(i) Financial assets carried at amortized cost: A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income: A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments (all being not held for trading), to present the subsequent changes in fair value in other comprehensive income based on its business model.

Fair value of the listed equity instruments are measured using the rate quoted in the stock exchange wherein the securities are actively traded as on the last working day of the period of reporting. In respect of unlisted equity instruments, fair value is determined based on the latest audited financial statements and considering the open market information available, failing which it shall be measured at cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**(c) Financial liabilities**

- (i) Financial liabilities are initially recognized at the fair value of the consideration received less directly attributable transaction cost.
- (ii) Subsequent to initial measurement, financial liabilities are measured at amortised cost. The difference in the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit & loss over the contractual term using the effective interest rate method. This category includes the following class of liabilities; trade and other payables, borrowing; and other financial liabilities.
- (iii) Financial liabilities are further classified as current and non-current depending whether they are payable within 12 months after the balance sheet date or beyond.
- (iv) Financial liabilities are derecognized when the company is discharge from its obligation; they expire, are cancelled or replaced by a new liability with substantial modified terms

j. IMPAIRMENT**Financial assets**

The company recognizes loss allowances using the expected credit loss model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance on trade receivables, with no significant financing component is measured at an amount equal to lifetime expected credit loss. For all financial assets expected credit losses are measured at an amount equal to 12-month ECL unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime expected credit loss. The amount of expected credit losses or reversal that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the profit or loss for the period.

Intangible assets, property, plant and equipment

Intangible assets, property plant & equipment are evaluated for recoverability wherever events or changes in circumstances indicate that their carrying amount may not be recoverable.

For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs).

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such asset is considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit & losses if there have been changes in the estimates used to determine the recoverable amount. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceeds the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss has been recognized for the asset in prior years.

k. EARNING PER SHARE

Basic Earnings Per Share is computed by dividing the net profit attributable to the equity shareholders of the company to the weighted average number of Shares outstanding during the period & Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the company after adjusting the effect of all dilutive potential equity shares that were outstanding during the period, the weighted average number of shares outstanding during the period including the weighted average number of equity shares that could have issued upon conversion of all dilutive potential.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

I. INCOME TAXES

Income tax expense or credit represents the sum of the current tax and deferred tax.

Current and deferred tax is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case it is recognised in 'Other comprehensive income' or directly in equity, respectively.

Current income tax

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

m. Employee Benefits Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19 – Employee Benefits.**(i) Provident Fund**

The Company pays contributions toward provident fund to the regulatory authorities as per local regulations where the Company has no further payment obligations. The contributions are recognised as employee benefit expense when they are due.

The Company makes contribution Employee State Insurance in accordance with Employee State Insurance Act, 1948. The Company has no obligation, other than the contribution payable to the provident fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**(ii) Gratuity and other post-employment benefits**

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in Other Comprehensive Income. The effect of any plan amendments are recognized in net profits in the Statement of Profit and Loss.

(iii) Other Short Term Benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

n. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(i) A provision is recognized, if as a result of past event the company has present legal or constructive obligations that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to liability.

(ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed in the financial statements.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

o. DEPRECIATION

(i) Normal depreciation on all property, plant & equipment except Land are provided from the date of put to use for commercial production on Straight Line Method at the useful lives prescribed in Schedule-II to The Companies Act, 2013 and after providing for the residual value (maximum to the extent of 5%) of the Fixed Assets as determined by the management.

(ii) Depreciation/Amortization on addition /deletions to Fixed Assets is provided on pro-rata basis from/to the date of addition/deletions.

(iii) Depreciation/Amortization on additions/deletions to the fixed assets due to exchange rate fluctuation is provided on pro-rata basis since inception.

(iv) The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

p. PURCHASES

(i) Purchases returns / rebates are adjusted from the purchases of the year in which the returns take place / rebates allowed.

(ii) Purchases are accounted for "Net of VAT Credit/GST availed on eligible inputs".

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**q. CLAIMS BY/AGAINST THE COMPANY**

Claims by/ against the Company arising on any account are provided for in the accounts on receipts/acceptances.

r. BORROWING COST

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing cost directly attributable to the acquisition or construction of qualifying /eligible assets, intended for commercial production are capitalised as part of the cost of such assets. All other borrowing costs are recognized as an expense in the year in which they are incurred.

s. STATEMENT OF CASH FLOWS

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

t. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liability includes Borrowings, Trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade receivables, Cash and cash equivalents and other financial assets that derive directly from its operations. The Company is exposed to credit risk, liquidity risk and Interest rate risk & market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviewed policies for managing each of these risks, which are summarized below:

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date. Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognized in the Statement of Profit and Loss.

(ii) Liquidity Risk

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates.

u. Critical accounting estimates and judgments

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

a. Useful lives of Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by internal team and external advisor. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Company believes that the useful life best represents the period over which the Company expects to use these assets.

b. Contingent liability

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

c. Income taxes

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The Company reviews at each balance sheet date the carrying amount of Income Tax /deferred tax Liabilities.

d. Defined benefit plans (gratuity)

The Company's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

v. Accounting Policies not specifically referred to are in accordance with generally accepted accounting principles.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020
Note No. 3
PROPERTY PLANT & EQUIPMENT

| Description | Land | Building | Plant & Equipment | Furniture & Fixtures | Computers & printers | Vehicles | Total |
|---------------------------------|------------------|--------------------|---------------------|----------------------|----------------------|------------------|---------------------|
| Cost or Valuation | | | | | | | |
| As at 1st April 2018 | 48,40,000 | 5,04,30,770 | 10,02,45,253 | 2,47,184 | 1,45,007 | 57,13,418 | 16,16,21,632 |
| Additions/Purchase | - | - | - | - | - | - | - |
| Disposals/Sold | - | - | - | - | - | - | - |
| Adjustments | - | - | - | - | - | - | - |
| As at 31st March 2019 | 48,40,000 | 5,04,30,770 | 10,02,45,253 | 2,47,184 | 1,45,007 | 57,13,418 | 16,16,21,632 |
| Additions/Purchase | - | - | - | - | - | - | - |
| Disposals/Sold | - | - | - | - | - | 11,12,377 | 11,12,377 |
| Adjustments | - | - | - | - | - | - | - |
| As at 31st March 2020 | 48,40,000 | 5,04,30,770 | 10,02,45,253 | 2,47,184 | 1,45,007 | 46,01,041 | 16,05,09,255 |
| Accumulated depreciation | | | | | | | |
| As at 1st April 2018 | - | 2,60,20,134 | 6,73,35,503 | 2,26,926 | 1,37,758 | 31,95,147 | 9,69,15,468 |
| Charged for the year | - | 14,31,986 | 37,49,114 | 2,027 | - | 6,95,902 | 58,79,029 |
| Disposals/Sold | - | - | - | - | - | - | - |
| As at 31st March 2019 | - | 2,74,52,120 | 7,10,84,617 | 2,28,953 | 1,37,758 | 38,91,049 | 10,27,94,497 |
| Charged for the year | - | 14,31,986 | 37,27,700 | 2,027 | - | 5,63,799 | 57,25,512 |
| Disposals/Sold | - | - | - | - | - | 5,96,028 | 5,96,028 |
| As at 31st March 2020 | - | 2,88,84,106 | 7,48,12,317 | 2,30,980 | 1,37,758 | 38,58,820 | 10,79,23,981 |
| Net Block | | | | | | | |
| As at 1st April 2018 | 48,40,000 | 2,44,10,636 | 3,29,09,750 | 20,258 | 7,249 | 25,18,271 | 6,47,06,164 |
| As at 31st March 2019 | 48,40,000 | 2,29,78,650 | 2,91,60,636 | 18,231 | 7,249 | 18,22,369 | 5,88,27,135 |
| As at 31st March 2020 | 48,40,000 | 2,15,46,664 | 2,54,32,936 | 16,204 | 7,249 | 7,42,221 | 5,25,85,274 |

Notes to Financial Statements
As at 31.03.20
(Rs.)

As at 31.03.19
(Rs.)

Non Current Assets
Note No. 4
Non Current Investments
Shares of Companies:

Un-quoted (as per Annexure-1)

92,30,000

92,30,000

92,30,000

92,30,000

Note No. 5
Other Non Current Assets

Deferred cost toward staff loan

90,057

47,864

90,057

47,864

Current Assets
Note No. 6
INVENTORIES

 (As valued and certified by the Management
at lower of cost or net realisable value)

Raw Materials & Packing Materials

8,43,848

8,51,922

Store & Spares

48,42,740

48,42,740

Finished Goods

-

-

Work in Process

16,660

16,660

57,03,248

57,11,322

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

| Notes to Financial Statements | As at 31.03.20 | As at 31.03.19 (Rs.) |
|---|--------------------|----------------------|
| <u>Financial Assets</u> | | |
| Note No. 7 | | |
| Trade Receivables | | |
| (Unsecured and considered Good) | | |
| Exceeding Six months | 2,53,33,932 | 2,61,34,243 |
| Less than Six months | - | - |
| | 2,53,33,932 | 2,61,34,243 |
| Note No. 8 | | |
| Cash & Cash Equivalents | | |
| Cash in hand | 13,743 | 6,372 |
| Balance with scheduled Banks | | |
| - in Current Accounts | 1,08,183 | 1,50,129 |
| | 1,21,926 | 1,56,501 |
| Note No. 9 | | |
| Current Loans | | |
| (Unsecured considered good) | | |
| Advances recoverable in cash or in kind or for value to be received | 1,41,37,055 | 1,44,81,215 |
| Excise/GST Deposit A/c | 61,63,816 | 61,04,567 |
| Tax Deducted at Source | 14,697 | 41,552 |
| Security Deposit | 2,98,279 | 2,98,279 |
| VAT Inputs receivable a/c | 1,92,311 | 2,25,185 |
| | 2,08,06,158 | 2,11,50,798 |
| Current Assets | | |
| Financial Assets | | |
| Note No. 10 | | |
| Other Current Assets | | |
| Prepaid Expenses | 27,171 | 46,221 |
| | 27,171 | 46,221 |
| Note No. 11 | | |
| Equity Share Capital | | |
| A) <u>AUTHORISED</u> | | |
| 2,00,00,000 Equity Shares of Rs. 10/- each | 20,00,00,000 | 20,00,00,000 |
| (Previous year 2,00,00,000 Equity Share of Rs. 10/- each) | 20,00,00,000 | 20,00,00,000 |
| B) <u>ISSUED, SUBSCRIBED AND PAID UP</u> | | |
| 1,91,11,400 Equity Shares of Rs. 10/- each | 19,11,14,000 | 19,11,14,000 |
| (Previous year 1,91,11,400 Equity Share of Rs. 10/- each) | 19,11,14,000 | 19,11,14,000 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

- a) Reconciliation of number of shares and amount outstanding at the commencement and at the end of reporting year

| | As at 31.03.2020 | | As at 31.03.2019 | |
|---|------------------|--------------|------------------|--------------|
| Particulars | Number of shares | Amount | Number of shares | Amount |
| Balance at the commencement of the year | 1,91,11,400 | 19,11,14,000 | 1,91,11,400 | 19,11,14,000 |
| Add Shares issued during the year | — | — | — | — |
| Balance at the end of the year | 1,91,11,400 | 19,11,14,000 | 1,91,11,400 | 19,11,14,000 |

- b) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company :-

| Sno | Name of Shareholder | As at 31.03.2020 | | As at 31.03.2019 | |
|-----|--|------------------|--------|------------------|--------|
| | | No. of shares | % | No. of shares | % |
| 1. | M/s Omkam Pharmaceuticals Pvt Ltd | 49,02,322 | 25.65% | 49,02,322 | 25.65% |
| 2. | M/s Patliputra International Ltd. | 26,29,000 | 13.76% | 26,29,000 | 13.76% |
| 3. | M/s Dhiru Builders & Promoters Pvt Ltd | 26,05,270 | 13.63% | 26,05,270 | 13.63% |
| 4. | Mr. Peeyush Kumar Aggarwal | 19,57,159 | 10.24% | 19,57,159 | 10.24% |
| 5. | Mr. Subramanian P | -- | -- | 12,82,992 | 6.71% |
| 6. | Ms. Sangeetha S. | 12,82,992 | 6.71% | -- | -- |

- c) The Company has one class of equity shares having a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Note No. 12
Other Equity

| | | |
|---|-----------------------|----------------------|
| Profit & Loss Account (As per last Balance Sheet) | (9,58,69,580) | (8,35,40,818) |
| Add: (Loss) for the current year including Comprehensive Income | (1,16,40,242) | (1,23,28,762) |
| Capital Reserve Account | | |
| Share Forfeiture Account | 27,500 | 27,500 |
| Total Reserve & Surplus carried forwarded to Balance Sheet | (10,74,82,322) | (9,58,42,080) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

| Notes to Financial Statements | As at 31.03.20 (Rs.) | | As at 31.03.19 (Rs.) | |
|--|----------------------|--------------------|----------------------|-------------|
| | Non-Current | Current | Non-Current | Current |
| Borrowings | | | | |
| Note No. 13 | | | | |
| <u>Non Current Borrowings</u> | | | | |
| SECURED LOANS | | | | |
| Term Loan | - | 3,74,98,531 | - | 3,74,98,531 |
| Indian Overseas Bank (secured by first charge on Land, Building & Plant & Machinery) | | | | |
| Current maturity of Long Term Debts are classified under other current liabilities. | | | | |
| | - | 3,74,98,531 | - | 3,74,98,531 |

- (a) Term loan consisting three loans, financed by Indian Overseas Bank are secured on first paripassu charge basis (a) by way of hypothecation of movable fixed assets of the company and (b) by mortgage of immovable properties of the Company; situated at 138, Roz KaMeo Industrial Area, Sohna, Gurgaon, Haryana. These loans are also collaterally secured (a) by way of second paripassu charge on stocks & book debts of company and (b) by personal guarantee of one of the director of the company.
- (b) These Term Loans were repayable in consolidated equivalent monthly installment of Rs. 8,17,000/- starting from October, 2012, but due to some financial resistant's, company could not pay few of instalments of Term loans, due to that Term accounts with IOB become NPA. At present, the company is trying to arrange the necessary funds to settle its outstanding debts of IOB and had made a request to IOB to allow it some more time in order to enable it to settle its outstanding debts as per the terms of OTS and the same was under consideration at the end of IOB.

| Notes to Financial Statements | As at 31.03.20 (Rs.) | As at 31.03.19 (Rs.) |
|---|-------------------------|-------------------------|
| <u>Current Borrowings</u> | | |
| <u>SECURED LOANS</u> | | |
| Working Capital Loan | 2,48,14,865 | 2,49,52,213 |
| Indian Overseas Bank (Secured by first charge on stocks of Finished Goods, Raw Materials. W.I.P & Sundry Debtors | | |
| <u>UNSECURED</u> | | |
| Others | 5,37,758 | 1,00,799 |
| | 2,53,52,623 | 2,50,53,012 |

- (c) Working Capital loan availed from Indian Overseas bank are secured on first Parripassu charges basis by way of hypothecation of stock and book debts (present & future) of the company; and collaterally secured on second paripassu charge (a) by way of hypothecation of fixed assets; (b) by mortgage of immovable properties of the company situated at Roz ka Meo, Sohna, Mewat, Haryana and (c) by personal guarantee of one of the Director of the Company. This account is NPA presently.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

| Notes to Financial Statements | As at 31.03.20 (Rs.) | | As at 31.03.19 (Rs.) | |
|--|----------------------|-----------------|----------------------|----------|
| | Non-Current | Current | Non-Current | Current |
| Note No. 14 | | | | |
| <u>Non Current Liabilities</u> | | | | |
| Provisions | | | | |
| Provision for Employee Benefits | | | | |
| - Gratuity | 9,61,694 | 5,63,595 | 7,83,773 | 5,46,239 |
| - Leave Encashment | 3,29,551 | 98,515 | 3,73,126 | 12,932 |
| | 12,91,245 | 6,62,110 | 11,56,899 | 5,59,171 |

Note No. 15

| Notes to Financial Statements | As at 31.03.20 (Rs.) | As at 31.03.19 (Rs.) |
|---|----------------------|----------------------|
| DEFERRED TAX LIABILITIES (NET) | | |
| <u>Deferred Tax Liabilities</u> | | |
| Excess of Book WDV of Fixed Assets over Tax WDV of Fixed Assets | 66,62,862 | 72,97,461 |
| <u>Deferred Tax Assets</u> | | |
| Provisions for employee benefits | (5,07,872) | (4,46,178) |
| Deferred Liabilities (net) | 61,54,990 | 68,51,283 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

| Notes to Financial Statements | As at 31.03.20 (Rs.) | As at 31.03.19 (Rs.) |
|-------------------------------|-------------------------|-------------------------|
|-------------------------------|-------------------------|-------------------------|

Note No. 16
Other Current Liabilities

| | | |
|--|--------------------|--------------------|
| Current Maturities of long term debt & Provision | 3,81,60,641 | 3,80,57,702 |
| Interest due on borrowings | 61,58,578 | 61,58,578 |
| Salary Payable | 10,95,041 | 6,62,570 |
| TDS payable | 37,857 | 41,827 |
| Statutory dues payable | 33,656 | 31,793 |
| Others payable | 7,27,239 | 6,55,687 |
| | 4,62,13,012 | 4,56,08,157 |

Note No. 17
Revenue from operations

| | | |
|-------------|---|-----------|
| Gross Sales | - | 82,81,090 |
|-------------|---|-----------|

Other Operating Revenue

| | | |
|---------------------|--------|---|
| - Income from Scrap | 43,645 | - |
|---------------------|--------|---|

| | | |
|-------------------------------|---------------|------------------|
| Total Revenue from Operations | 43,645 | 82,81,090 |
|-------------------------------|---------------|------------------|

Note No. 18
Misc. Income

| | | |
|---|-----------------|-----------------|
| Other misc income | 75,902 | 1,21,056 |
| Interest Income Staff loan (Amortisation) | 30,019 | 47,864 |
| | 1,05,921 | 1,68,920 |

Note No. 19
Cost of Material Consumed

| | | |
|---|-------------|-------------|
| Raw,Packing & Store & spares inventory at the beginning of the year | 56,94,662 | 57,28,502 |
| Purchases during the year | - | - |
| Inventory at the end of the year | (56,86,588) | (56,94,662) |
| Freight & Cartage Inward | - | - |

| | | |
|--------------|--------------|---------------|
| TOTAL | 8,074 | 33,840 |
|--------------|--------------|---------------|

Note No. 20
Change in Inventories of Finished Goods & WIP

| | | |
|------------------------------------|---|---|
| Change in Work in Progress | - | - |
| Charges in Stock of Finished Goods | - | - |

| | | |
|--------------|----------|----------|
| TOTAL | - | - |
|--------------|----------|----------|

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

| Notes to Financial Statements | As at 31.03.20 (Rs.) | As at 31.03.19 (Rs.) |
|---|-----------------------------|-----------------------------|
| Note No. 21 | | |
| Employees Benefit | | |
| Salary & Wages | 39,83,397 | 43,04,825 |
| Other allowance & benefits to employees | 2,65,512 | 2,44,350 |
| Employer contribution to PF, ESI & welfare fund | 1,87,565 | 2,16,361 |
| Staff welfare | 38,214 | 42,791 |
| Medical expenses | - | 566 |
| Interest Exp Staff loan (Amortisation) | 30,019 | 47,864 |
| | 45,04,707 | 48,56,757 |
| Note No. 22 | | |
| FINANCE CHARGES | | |
| Bank Charges | 1,789 | 2,424 |
| | 1,789 | 2,424 |
| Note No. 23 | | |
| Other Expenses | | |
| Advertisement | 54,302 | 53,200 |
| AGM exps. | 6,760 | 5,830 |
| Audit fee | 85,000 | 85,000 |
| Books, Newspapers & Periodicals | - | 200 |
| Business Promotion Expenses | - | 1,730 |
| Conveyance expenses | 84,768 | 82,933 |
| Diwali Expenses | 20,991 | 27,496 |
| Factory & General Insurance | 83,913 | 1,09,095 |
| General repair & maintenance | 5,900 | 22,251 |
| Interest others | 12,228 | 31,346 |
| Legal & Professional expenses | 14,000 | 3,31,500 |
| Loss on sale of vehicle | 26,348 | - |
| Miscellaneous expenses | 2,66,761 | 1,01,390 |
| Packing & Forwarding Expenses | 200 | 28,600 |
| Postage & telegram | 453 | 5,446 |
| Power & Fuel | 4,77,687 | 4,70,282 |
| Printing & Stationery | 27,503 | 25,318 |
| Rates & Taxes & other fee's | 4,22,088 | 3,20,045 |
| Repair & maintenance to building | 27,813 | 38,014 |
| Repair & maintenance to Plant & Machineries | 66,120 | 31,247 |
| Security Service | 5,21,765 | 5,12,553 |
| Telephone expenses | 69,110 | 64,913 |
| Testing Charges | - | 4,130 |
| Travelling expenses | - | 34,686 |
| Vehicle expenses | 536 | 5,000 |
| | 22,74,246 | 23,92,205 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**NOTE NO. 24****CONTINGENT LIABILITIES (to the extent not provided for)****(Rs. In lacs)**

| Particulars | As at 31.03.2020 | As at 31.03.2019 |
|--|---------------------|---------------------|
| Bank Interest on Cash Credit & Term Loan (not acknowledge as debts) due to NPA of account. | 726.46 | 552.68 |
| Demand raised by Hardik Distributors, Bhopal. Litigation is pending with High Court, MP | 4.20 | 4.20 |

NOTE NO. 25 Segment Disclosure**(a) Business Segment:**

The Company is engaged primarily in pharmaceuticals business and there are no separate reportable segments as per IND AS-108.

(b) Geographical Segment:**(Rs. in lacs)**

| Particulars | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--------------------|---------------------------------------|---------------------------------------|
| Sales revenue(net) | | |
| -In India | -- | 82.81 |
| -Outside India | -- | -- |
| | -- | 82.81 |

NOTE NO. 26**Employee Benefits**

Brief description of the Plans: The Company has various schemes for long term benefits such as Provident Fund, Gratuity, and Leave Encashment. The Company's defined contribution plans are Provident Funds, Employee's State Insurance Fund & Employee's Pension Scheme (under the provision of Provident Funds & Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions. The Company's defined benefit plans include Gratuity & Leave Encashment Plan. In accordance with the applicable Indian Laws, the company provides for gratuity for all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on respective employee's last drawn salary & for the years of employment with the Company. During the year company has computed his liability through Actuarial Valuar M/s Charan Gupta Consultants Pvt Ltd. The present value of obligation for Gratuity & other Post Employment benefit (i.e. Leave encashment) are determined based on actuarial valuation using the Projected Unit Credit Method. The additional disclosure in terms of Indian Accounting Standards-19 "Employees Benefits" is as under:.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Reconciliation of Opening & Closing balance of Obligation

(Rs. In lacs)

| Particulars | Gratuity A/c | Leave Encashment A/c |
|--|--------------|----------------------|
| Obligation at the beginning of the year | 13.30 | 3.86 |
| Current Service Cost | 1.08 | 0.30 |
| Interest Cost | 1.02 | 0.26 |
| Actuarial (gain)/loss | (0.15) | (0.14) |
| Less: Benefits paid | -- | |
| Obligation at the end of the year | 15.25 | 4.28 |

Gratuity & other Post Employment benefit cost for the period

| Particulars | Gratuity A/c | Leave Encashment A/c |
|--|--------------|----------------------|
| Current Service Cost | 1.08 | 0.30 |
| Interest Cost | 1.02 | 0.26 |
| Expenses recognized in the statement of profit & losses | 2.10 | 0.56 |

27. Necessary disclosures under Micro, Small and Medium Enterprises Development Act 2006, could not be considered for previous years as the relevant information to identify the suppliers who were covered under the said Act were not received from such parties during the previous years.

28. Statement of Management

(A) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. However, Company has started its efforts to realize the advances (given to the parties) which are more than one year old.

(B) Balance Sheet and Statement of Profit and Loss read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and results of the Company for the year under review.

29. Payment to Auditors'

(Amount in Rs.)

| Particulars | As on 31 st March, 2020 | As on 31 st March, 2019 |
|--------------------------|------------------------------------|------------------------------------|
| Audit Fee | 60,000 | 60,000 |
| Taxation & other matters | 25,000 | 25,000 |
| Total (exclusive of GST) | 85,000 | 85,000 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**30. INVESTMENTS**

Company has sent various notices to the Companies in which the company has made an investment, as neither they are sending duplicate shares certificates nor replying to the letters of the company. The company has misplaced/lost the share certificates of the investments made by it during the shifting of records. As such these shares certificates are not physically held by the company as on 31st March, 2020. Accordingly, company has not calculated the fair value of the investments.

31. Additional information, to the extent applicable, required under paragraphs 5 (viii) (c) of general instructions for preparation of the Statement of profit & Loss as per schedule III to the Companies Act, 2013

(A) Composition of Raw Material Consumption:

| Raw Material Consumption | 2019-20 | | 2018-19 | |
|--------------------------|---------|------------|---------|------------|
| | Value | Percentage | Value | Percentage |
| Imported | Nil | Nil | Nil | Nil |
| Indigenous | Nil | Nil | 0.33 | 100 |

(B) Value of Imports on CIF basis:-

| Particulars | 2019-2020 | 2018-2019 |
|--------------|-----------|-----------|
| Raw Material | NIL | NIL |

(C) Earning in Foreign Currency:

| Particulars | 2019-2020 | 2018-2019 |
|------------------------|-----------|-----------|
| F.O.B Value of Exports | NIL | NIL |

(D) Expenditure in Foreign Currency (on payment basis):

| Particulars | 2019-2020 | 2018-2019 |
|---------------------------------|-----------|-----------|
| Expenditure in Foreign Currency | NIL | NIL |

32. RELATED PARTY TRANSACTIONS

“Following disclosures are made, as per the definition of Related Parties defined in Indian Accounting Standard–24 “Related Party Disclosures” and Section 2(76) of the Companies Act, 2013.

(a). Related parties and nature of related party relationships where control exists

| Sno. | Name of the party | Nature of Relationship |
|------|----------------------------|------------------------|
| | Key Managerial Personnel | |
| 1. | Mr. Peeyush Kumar Aggarwal | Managing Director |
| 2. | Mr. Manoj Kumar Bhatia | CFO |
| 3. | Ms. Pooja Chuni | Company Secretary |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Transactions during the year with related parties

(Rs. In Lacs)

| Particulars | Peeyush Kumar Aggarwal | Manoj Kumar Bhatia | Pooja Chuni |
|----------------------------|-------------------------------|---------------------------|--------------------|
| Remuneration paid to KMP's | — | 4.62 | 3.02 |
| Loan Received | 4.37 | — | — |

33. "Earning per share" computed accordance with Accounting Standard (AS) – 20

(Rs. in lacs)

| Particulars | As at 31.03.2020 | As at 31.03.2019 |
|--|-----------------------------|-----------------------------|
| Loss after tax | (116.68) | (124.60) |
| Weighted average number of equity shares outstanding during the year | 1,91,11,400 | 1,91,11,400 |
| Face Value per share (In Rs.) | 10/- | 10/- |
| Earnings per share(EPS) | | |
| - Basic (In Rs.) | (0.61) | (0.65) |
| - Diluted (In Rs.) | (0.61) | (0.65) |

34. The Board of Directors of the Company has not recommended any dividend for the financial year ended 31.03.2020.

35. The balances of loans & advances, sundry debtors and sundry creditors are subject to the confirmation and consequential reconciliation/adjustments arising there from, if any. The management, however, does not accept any material variation.

36. In the absence of any orders during the year, there is a decline in the operating activities of the company. The Management of the company is making necessary efforts to find the perspective buyers and to procure the new orders. The Management of the believes that the new deals would be finalized soon.

37. The One Time Settlement approved by Indian Overseas Bank was supposed to clear by the company on 30th September 2019. However, due to the paucity of funds, the company could not clear the debts of IOB & made a further request to IOB to allow some more time in order to enable the company to settle its outstanding debts as per the terms of aforesaid OTS. However, due to the impact of Corona Virus and the sudden lockdown imposed by both the Central and State Governments in the wake of COVID-19 pandemic, the Company had to suspend its operations, which has adversely impacted its business. Moreover, the labour available with the company also moved to its hometown and all the other employees were unable to attend the office due to the lockdown imposed by the Government. In the absence of any operations, there is a considerable decline in the revenues generated by the company.

Further, because of the liquidity crunch being faced by the company due to present scenario, our company has now again made a fresh One Time Settlement proposal to Indian Overseas Bank in order to enable it to settle its outstanding debts of IOB which is under consideration at the end of the bank.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

38. BSE has vide its Circular no. LIST/COMP/OPS/ 16 /2019-2020 dated June 11, 2019 and Notice no. 20190903-37 dated September 3, 2019 has initiated action against the company by freezing the Demat accounts of its Promoter and Promoter Group for all debits and further the shares of the company are also marked as suspended for trading on BSE's web portal w.e.f. 12th March, 2020 due to nonpayment of its annual listing fees. However, company is trying to arrange necessary funds to clear its outstanding listing fees and to revoke the consequent suspension on trading of its shares
39. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID-19 significantly impacted business operation of the company, by way of interruption in production, unavailability of personnel, closure / lock down of production facility etc.
40. Previous year figures have been regrouped, rearranged wherever necessary to correspond with the current year's classification/disclosure.

For RMA & Associates LLP

Chartered Accountants

Firm Regn. No. : 000978N/N500062

For and on behalf of the Board of Directors of Advik Laboratories Limited

Sd/-

(Amit Jain)

Partner

Membership No. 503109

Sd/-

(Peeyush Kumar Aggarwal)

Chairman

DIN:00090423

Sd/-

(Ram Niwas Sharma)

Director

DIN: 08427985

Sd/-

(Manoj Bhatia)

CFO

Sd/-

(Pooja Chuni)

Company Secretary

Place: New Delhi

Date: 29th July, 2020

ADVIK LABORATORIES LIMITED

CIN: L74899HR1994PLC038300

Regd.Office: 138, Roz- Ka - Meo, Industrial Area Sohna, Distt. Mewat-122103 (Haryana)

Phone: 0124-2362471, Email: mail@advikindia.com, Website : www.advikindia.com

E-COMMUNICATION REGISTRATION FORM AND BANK ACCOUNT DETAILS

Dear Shareholders,

Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued there under, Companies can serve Annual Reports, Notices and other communications through electronic mode to those shareholders who have registered their email address either with the Company/RTA or with the Depository. It is a welcome move that would benefit the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This provides a golden opportunity to every shareholder of Advik Laboratories Limited to contribute to the cause of 'Green Initiative' by giving their consent to receive various communications from the Company through electronic mode.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode. You can also download the appended registration form from the website of the Company www.advikindia.com

[Please note that as a Member of the Company, you will be entitled to receive all such communication in physical form, upon request.]

To support this green initiative in full measure, members who have not registered their E-mail address, PAN Number and Bank Account details so far, are requested to register their E-mail address and PAN Number and Bank account details along with self-attested copy of their PAN Card and original cancelled cheque/bank passbook/statement with the company/ RTA.

Best Regards,

Sd/-

Pooja Chuni

Company Secretary

E-COMMUNICATION REGISTRATION FORM AND BANK ACCOUNT DETAILS

Folio No. /DP ID & Client ID:.....

Name of the 1st Registered Holder:.....

Name of the Joint Holder[s]: (1).....(2).....

Registered Address:.....

E-mail ID (to be registered):..... Mob./Tel. No.:.....

PAN:

I/We shareholder(s) of Advik Laboratories Limited hereby agree to receive communications from the Company in electronic mode. Please register my above E-mail ID in your records for sending communications in electronic form.

Date: Signature:

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

Unit: ADVIK LABORATORIES LIMITED

Dear Sir,

I/we hereby request you to update my/our below mentioned details in your records with respect to the shareholding in ADVIK LABORATORIES LIMITED

| | | | |
|----------------------------|--------------|---------------|--------------|
| Name of Shareholder(s) | | | |
| Folio No.(s) | | | |
| PAN | First Holder | Second Holder | Third Holder |
| Bank Name & Branch Address | | | |
| Bank A/c. No. | | | |
| IFSC Code | | | |
| Email ID | | | |
| DP ID/Client ID | | | |

I/we hereby declare that the particulars given hereinabove are correct and complete.

First Holder

Second Holder

Third Holder

Signature of Shareholder(s) - _____

Encl.: 1. Self- attested copy of PAN card of all the Shareholders in case of joint holding.

2. Original cancelled cheque/Bank Passbook/Statement attested by the Bank.

ADVIK LABORATORIES LIMITED

CIN: L74899HR1994PLC038300

Regd. Office: 138, Roz- Ka - Meo, Industrial Area Sohna, Distt. Mewat-122103 (Haryana)

Phone: 0124-2362471, Email: mail@advikindia.com, Website: www.advikindia.com

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting venue)

Name of the Member(s) / Proxy*:(*Strike off whichever is not applicable)

Registered address:.....

E-mail Id: Folio No. /DP ID & Client ID:.....

I/We, being the member (s) of shares of the above named company, hereby record my/our presence at the 26th Annual General Meeting of the Company, to be held on Thursday, the 24th Day of December, 2020 at 09:30 a.m. at 138, Roz- Ka - Meo, Industrial Area Sohna, Distt. Mewat-122103 (Haryana) and at any adjournment thereof.

Signature of the Member/Proxy*:

(*strike out whichever is not applicable)

NOTES:

- Members/Proxies are requested to bring the duly signed attendance slip to the meeting and hand it over at the entrance.
- Corporate members intending to send their authorized representatives to attend the meeting are requested to send, to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

ADVIK LABORATORIES LIMITED

CIN: L74899HR1994PLC038300

Regd. Office: 138, Roz- Ka - Meo, Industrial Area Sohna, Distt. Mewat-122103 (Haryana)

Phone: 0124-2362471, Email: mail@advikindia.com, Website: www.advikindia.com

Form No. MGT 11

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s):

Registered address:

E-mail Id: Folio No. /DP ID & Client ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1) Name: E-mail Id:

Address:

Signature: or failing him/her

2) Name: E-mail Id:

Address:

Signature: or failing him/her

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on **Thursday, the 24th Day of December, 2020 at 09:30 a.m. at 138, Roz- Ka - Meo, Industrial Area Sohna, Distt. Mewat-122103 (Haryana)** and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

| Res. No. | Description | For | Against |
|----------|--|-----|---------|
| 1. | Adoption of Audited Financial Statements of the company including the Balance Sheet of the Company as at 31st March, 2020 and the Statement of Profit and Loss of the Company for the financial year ended 31st March, 2020 together with the Cash Flow Statement & other Annexure thereof and the Reports of the Board of Directors and Auditors thereon. | | |
| 2. | Re-appointment of Mr. Ram Niwas Sharma (DIN: 08427985) Director of the Company as a Director liable to retire by Rotation. | | |
| 3. | Approval under Section 180(1)(a) of the Companies Act, 2013 for Sale or Lease or otherwise dispose of the whole or substantially the whole of the Manufacturing Unit of the Company | | |
| 4. | Approval of Related Party Transactions U/s 188 of Companies Act, 2013 | | |
| 5. | Consent of Members for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate | | |

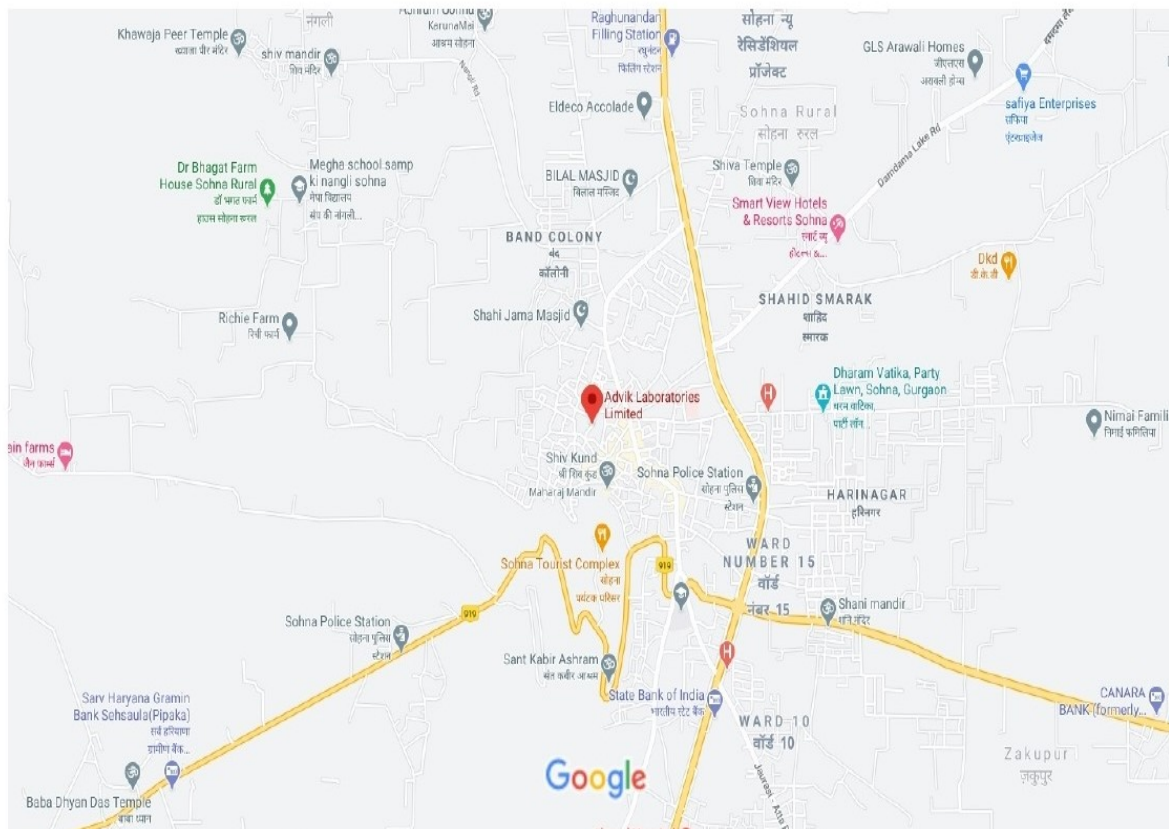
Signed this day of 2020. Signature of Shareholder:.....

Affix
Revenue
Stamp

NOTES:

- Please put a 'X' in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in the aggregate not more than ten percent (10%) of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent (10%) of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
- This form of Proxy in order to be effective should be duly completed, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

Maps Advik Laboratories Limited



If undelivered, please return to :-

Advik Laboratories Limited

703, Aruanchal Building, 19

Barakhamba Road, Connaught Place

New Delhi – 110 001

Tel nos. : 011-42424884, 011-43571043-45,

Fax : 011-43571047

Email : mail@advikindia.com