

Annual Report 2019-20



AMD Industries Limited



OUR VISION

To take on high growth track by establishing a strong and a supportive link in the total supply chain management of our associates.

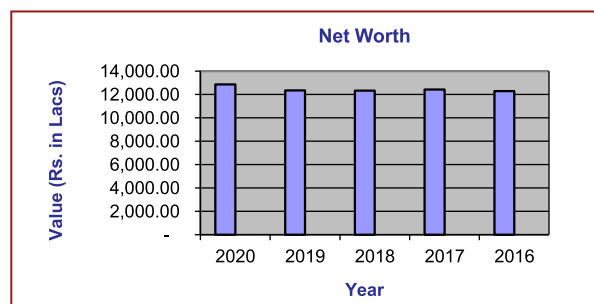
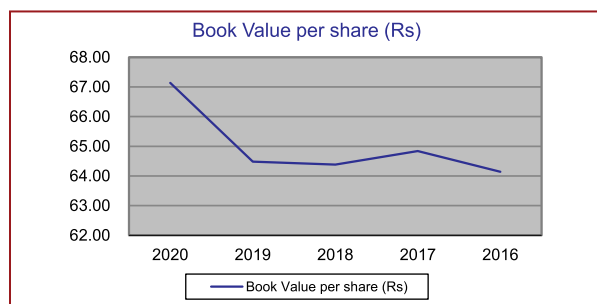
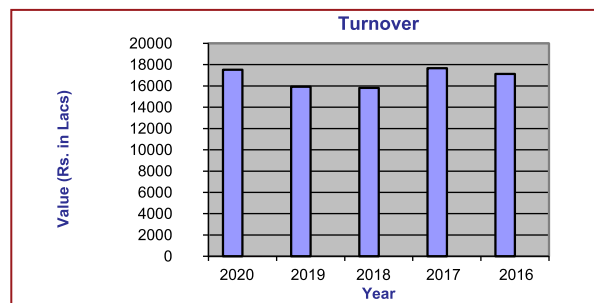
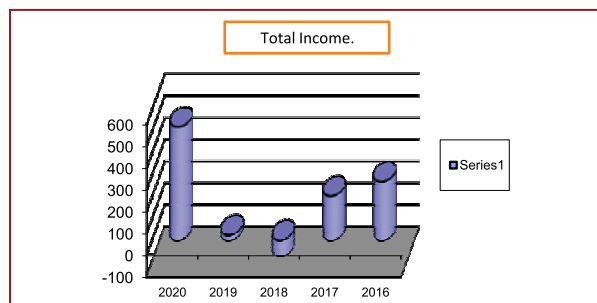
QUALITY POLICY

We at AMD are committed to control and improve quality, cost and delivery performance through continual improvement of the quality management. We shall increase our market share year after year through improving customer satisfaction.

FINANCIAL INDICATORS FOR PAST 5 YEARS

PARTICULARS	YEAR ENDED 31ST MARCH				
	2020	2019	2018	2017	2016
TOTAL INCOME	17515.84	15921.75	15824.16	17668.32	17126.52
PBDIT	2268	1847.31	1705.55	2305.99	2579.33
PBT	113.67	-39.27	-215.2	241.98	438.34
Provision for taxation					
Current	130	10.6	0	60	230.00
Deferred	-55.04	-72.94	-168.67	-8.93	-74.93
Tax for earlier years	0.02	0	27.57	-11.04	0.00
PAT	518.16	23.07	-74.1	201.95	268.93
Cash Profit [^]	1540.01	1054.65	947.69	1362.31	1457.33
Fixed Assets					
Gross Block	20,479.44	20,564.78	19,909.32	18,956.14	17038.47
Net Block	8,791.14	9,556.34	9,820.53	9,873.59	9196.89
Equity Share Capital	1,916.67	1916.67	1916.67	1916.67	1916.67
Reverses & Surplus	10,951.62	10443.05	10423.87	10510.53	10377.15
Networth	12,868.29	12359.72	12340.54	12427.2	12293.82
EPS (Rs.) (Annualized)	2.70	0.12	-0.39	1.05	1.40
Cash EPS (Rs.) (Annualized)	8.03	5.50	4.94	7.11	7.60
Book Value per share (Rs)	67.14	64.48	64.38	64.84	64.14

[^]Net of Deferred Tax Liability





CORPORATE INFORMATION

BOARD OF DIRECTORS

Ashok Gupta - Chairman
Adit Gupta - Managing Director
Mahipal - Independent Director
Prabhat Krishna - Independent Director
Shubha Singh - Independent Director
Tilak Raj - Independent Director (w.e.f. 07/08/2020)

KEY MANAGERIAL PERSONNEL

Adit Gupta - Managing Director
P. K. Mukhopadhyay - Chief Financial Officer
Radha Shakti Garg - Company Secretary & Compliance Officer

REGISTERED OFFICE

18, Pusa Road, 1st Floor, Karol Bagh, New Delhi-110 005
Tel.: 91-11-46830202 Fax : 91-11-28753591
Email : investor@amdindustries.com
Url : www.amdindustries.com
CIN : L28122DL1983PLC017141

MANUFACTURING UNITS

SP-32, RIICO Ind. Area, Neemrana, Rajasthan

BANKERS

State Bank of India
Union Bank of India
Kotak Mahindra Bank
IDFC FIRST Bank
Axis Bank

INTERNAL AUDITORS

M/s B.L. Khandelwal & Co.
Chartered Accountants
1, Doctor's Lane, Gole Market
New Delhi-110 001

STATUTORY AUDITORS

M/s Goyal Nagpal & Co.
Chartered Accountants,
20-A, Street No. 6,
Dheeraj Vihar, Korala,
New Delhi - 110 084

SECRETARIAL AUDITORS

M/s AGG & Associates
Company Secretaries
21/16, 2nd Floor, West Patel Nagar
New Delhi - 110008

LEGAL COUNSEL

Dinesh Kumar Gupta (Advocates)
C-58, Vivek Vihar, Delhi - 110059

REGISTRAR & SHARE TRANSFER AGENTS

Head Office:

Bighshare Services Pvt. Ltd.
1st, Floor, Bharat Tin Work Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri East, Mumbai - 400059
Tel : 022 62638200, Fax : 022 626 38299

Branch Office

302, Kushal Bazar, 32-33, Nehru Place, New Delhi - 110019

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 37th Annual Report together with audited accounts for the financial year ended 31st March 2020.

Financial Results

The financial performance of the Company for the financial year ended 31st March, 2020 is summarized below:

(Rs. in Lakhs)

Particulars	Financial Year 2019-20	Financial Year 2018-19
Revenue from Operations (net of excise duty)	17454.57	15572.06
Other Income	61.27	349.69
Total	17515.84	15921.75
Profit from operations before Financial Costs, Depreciation, Exceptional Items & Tax Expenses	1788.53	1847.31
Financial Costs	653.01	855.00
Profit before Depreciation, Exceptional Item & Taxation	1135.52	992.31
Depreciation	1021.85	1031.58
Profit before Exceptional Items and Tax Expenses	113.67	-39.27
Exceptional Items	-479.47	-
Profit before Tax	593.14	-39.27
Less: Tax Expenses	74.98	-62.34
Profit/Loss for the year	518.16	23.07
Other Comprehensive Income	-9.59	-3.89
Net Profit/Loss	508.57	19.18
Appropriations:	Nil	Nil
General Reserve	Nil	Nil
Dividend on Equity Shares	Nil	Nil
Tax on Dividend	Nil	Nil
Balance Carried to Balance Sheet	508.57	19.18
TOTAL	508.57	19.18

Global health pandemic from COVID-19

The COVID-19 pandemic has caused a huge disruption creating an unprecedented impact on the financial well-being of nations, corporations and individuals. The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020.

In India too, which implemented a lockdown since 25 March 2020, the pandemic has created shocks ripping through society and the world of business. The picture of millions of unemployed daily wage workers and their families trying to trudge back to their villages hundreds of kilometres away shut factories and stores; empty construction sites; and a nation being deprived of its natural economic vigor are the other sides of this scourge.

In keeping with its employee-safety first approach, the Company quickly instituted measures to trace all employees and be assured of their well-being. The company has adopted series of initiatives related to COVID-19 awareness with a focus on the health and wellness of employees. We have extended support to the employees impacted by this pandemic. The Company would implement a phased and safe return-to-work plan as and when lockdown restrictions are relaxed.

On the other side, being a seasonal business, the company has lost its most of the business for the year due to this pandemic. The main season of the business of the Company is of summer which generally starts in the first quarter of the calendar year. The effect of this pandemic on the business of the Company could be analysed in the financial year 2020-21. However by way of small contribution to the company to fight the financial crunch Managing Director and Whole Time Director has surrendered their remuneration in part till the period of financial recovery.

Circulation of Annual Reports in electronic form In view of the prevailing COVID-19 situation and consequent lockdown across the country, the Ministry of Corporate Affairs (MCA) has exempted companies from circulation of physical copies of Annual Report for FY2020.

Accordingly, the Annual Report of the Company for FY2020 is being sent only by email to the members, and all other persons/entities entitled to receive the same. This Annual Report, along with other documents, is also available on the Company's website Circulation of Annual Reports in electronic form. In view of the prevailing COVID-19 situation and consequent lockdown across the country, the Ministry of Corporate Affairs (MCA) has exempted companies from circulation of physical copies of Annual Report for FY2020.

Accordingly, the Annual Report of the Company for FY2020 is being sent only by email to the members, and all other persons/entities entitled to receive the same. This Annual Report, along with other documents, is also available on the Company's website <http://amdindustries.com/Annual%20Report%202019-20.pdf>

Operations & Business

During the year under review your Company registered total revenue of Rs.17454.57 lakhs as compared to previous year's revenue of Rs.15572.06 lakhs which shows a growth of approx. 12.08% over the previous year. The total revenue from Sale of Product for the year 2019- 20 was of Rs.15,163.21.Lakhs as compared to the year 2018-19 of Rs.12,998.00 Lakhs which shows a growth of 16.65 % from last year. There is a Net Profit of Rs 508.57 Lakhs in the year 2019-20 as compared to Net Profit of Rs.19.18 Lakhs from the last year 2018-19.

Real Estate Business

The company through its related company, AMD Estates & Developers Private Limited is developing a Commercial Complex at Sector-114, Gurgaon, Haryana in collaboration with VSR Infratech Private Limited, New Delhi. The said project is at its last lag to complete and will be ready to deliver soon. During the year under review, the company has received revenue of Rs. 174.75 Lakhs from this project.

Expansion

The company is exploring opportunities to expand its business in other geographies of the country.

Dividend

Looking into unprecedented impact on the financial well-being on the company due to Covid-19 in the coming year your directors' recommends no dividend for this financial year 2019-20.

Fixed deposits

During the financial year 2019-20, your Company has not invited or accepted any deposits from the public within the meaning of provisions of Section 73 of the Companies Act, 2013.

Board, Directors and Key Managerial Personnel

Your Company's Board has an optimum combination of Executive, Non-executive and Independent Directors with one women Director, as per the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').With effect from 01.04.2020 AMD Industries Limited falls under top 2000 listed entities, based on the market capitalization at the bourses of National Stock Exchange although . However the position was reverse on the Bombay Stock Exchange. Thus to comply with the requirement of regulation 17 (1) (C) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'),on the recommendation of Nomination and Remuneration Committee Mr. Tilak Raj having DIN- 08824847 is appointed as Independent Non- Executive Director with effect from 07.08.2020 for a term of 5 years.

The tenure of Mr. Prabhat Krishna will be expiring in the forthcoming Annual General Meeting. The Board placed on record its sincere appreciation for guidance, services and mentorship provided by Mr. Prabhat Krishna as an independent Director and Chairman of Various committees.

The Board of Directors of the Company proposed and recommended Mr. Subhash Chander Dua (DIN:08839210) as a Non- Executive Director for the approval of shareholders in forthcoming Annual General Meeting. He is having the experience of more than 40 years and expertise in the relevant field. His association with the company is also too long.

The composition of the Board and the Independent Directors of the Company meet all the criteria mandated by SEBI Listing Regulations, 2015 and the Companies Act, 2013.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Ashok Gupta, Chairman cum Whole Time Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.



There was no change in the Key Managerial Personnel of the Company during the financial year 2019-20.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board met four times during the financial year 2019-20, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

COMMITTEES

Currently, the Board has five Committees: the Audit Committee, the CSR Committee, the Nomination and Remuneration Committee, the Management Committee, the Stakeholder Relationship Committee. A detailed note on the composition of the Board and its Committees is provided in the Corporate Governance Report section of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit & Loss of the Company for the year ended on that date;
- the directors have 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;
- the directors have prepared the annual accounts on a 'going concern' basis;
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- 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.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from each of the Independent Directors under section 149 (7) of the Companies Act, 2013 that he/she meets the criteria of the independence as laid down in section 149(6) of the Companies Act, 2013 and Clause 49 and Regulation 16(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board took on record the declaration and confirmation submitted by the independent directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of regulation 25 of the SEBI Listing Regulations.

The details of programs for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <http://amdindustries.com/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>.

Policy on directors' appointment and remuneration

The Board has constituted a Nomination & Remuneration Committee for formulating the criteria for determining qualifications, positive attributes and independence of a director, identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in Nomination & Remuneration policy and to recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel. The objective of the Nomination & Remuneration Policy is also to set out the principles governing the Company's Remuneration systems in organizational guidelines.

The salient features of the policy on directors' appointment and remuneration forms a part of the 'Corporate Governance Report'. The said policy is placed on the Company's website at <http://amdindustries.com/AMD%20-%20Remuneration%20Policy.pdf>.

Board Evaluation

The Company has adopted a Performance Evaluation Policy for evaluation of performance of Independent Directors, Board, Committees and other individual Directors (non-executive directors and executive directors). On the basis of this Policy a process of evaluation is being followed by the Board for evaluation of its own performance and that of its Committees and individual Directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of a questionnaire on board governance and performance issues. Individual directors met with the Chairman of the Company to discuss their responses.

The performance of the committees was evaluated by the Board after getting an evaluation report from the members of each committee which evaluates the performance of the Committee against its stated objectives and responsibilities, effectiveness of committee meetings, etc. during the year.

The Board 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, committed to the Company's values, beliefs and ethics etc. In addition, the Chairman was also evaluated on the key aspects of his role.

Auditors and Auditors' Report

Statutory Auditors

Pursuant to the provision of section 139 of Companies Act, 2013, M/s Goyal Nagpal & Co. Chartered Accountants (FRN-018289C) was appointed as a Statutory Auditors of the Company, for a period of five years, by the Shareholders in its Annual General Meeting held on 28.09.2017, subject to ratification in every Annual General Meeting.

Vide Companies (Amendment) Act, 2017 and enforcement of relevant provisions on 07th May, 2018 by Ministry of Corporate Affairs, the provision with regard to ratification of appointment of Statutory Auditor has been abolished.

The financial statements, as referred to in the Auditor's Report, are self explanatory and therefore do not require further comments and explanations. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

M/s AGG & Associates, Company Secretaries, New Delhi was appointed to conduct Secretarial Audit for the financial year 2019-20. as required under section 204 of the Companies Act, 2013 and rules there under. The Secretarial Audit Report issued by M/s AGG & Associates is forms part of the Annual Report as **Annexure-I**. It does not contain any qualification, reservation or adverse remark.

Reporting of frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

Associate/ Joint Venture/ Subsidiary Companies

The company has no associate/ joint venture and subsidiary companies during the financial year under review.

The policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at the link: <http://amdindustries.com/Policy%20on%20Material%20Subsidiary.pdf>.

Corporate Governance

Corporate Governance is about maximizing shareholder value legally, ethically and sustainably. At AMD, the goal of corporate governance is to ensure fairness for every stakeholder. We believe sound corporate governance is critical to enhance and retain investor trust. We always seek to ensure that our performance is driven by integrity. Our Board exercises its fiduciary responsibilities in the widest sense of term. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

Our Corporate governance report for fiscal 2020 forms part of this Annual Report.



Corporate Social Responsibility (CSR)

The provision of section 135 of the Companies Act, 2013 is not applicable on the Company. However, Company and its promoters fulfill its Social Responsibility in other forms to serve the country.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statements.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year under review with related parties were in the ordinary course of business and at arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Company has a Policy on materiality of and dealing with Related Party Transactions, as approved by the Board, which is available at its: <http://amdindustries.com/Policy%20on%20Related%20Party%20Transactions.pdf>

Material changes and commitments

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

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure II** to this Report.

Vigil Mechanism/Whistle Blower policy

The Vigil Mechanism/Whistle Blower Policy of the Company aims to provide an avenue for directors and employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, unethical behavior, violation of Code of Conduct, etc. This policy also aims to create an environment where individuals feel free and secure to raise the alarm where they see a problem. It also ensures that whistleblowers are protected from retribution, whether within or outside the organization.

The Policy on vigil mechanism/whistle blower policy may be accessed on the Company's website at: <http://amdindustries.com/Whistle%20Blower%20Policy%20-%20Vigil%20Mechanism.pdf>

Particulars of Employees and related disclosures

Particulars of Employees and related disclosures in terms of the provisions of Section 197(12) of the Act read with Rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed herewith as **Annexure III** to this Report.

Risk Management

Risk is an integral and unavoidable component of business and your company is committed to managing the risk in a proactive and effective manner. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, legal risk.

Your Company adopts systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations. During the year, your company has adopted a Risk Management Policy. Our risk management policy focuses on three key elements, 1) Risk Assessment; (2) Risk Management; and (3) Risk Monitoring. Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks. Risk Management and Risk Monitoring are important in recognizing and controlling risks. Risk mitigation is an exercise aiming to reduce the loss or injury arising out of various risk exposures.

The Audit Committee of the Company reviews the Risk Management Policy and its implementation.

Extract of Annual Return

Pursuant to Notification of Ministry of Corporate Affairs dated 28.08.2020, a company shall not be required to attached the extract of the Annual Return with the Board's Report in Form No. MGT.9 in case the web link of such annual return has been disclosed in the Board's Report.

Accordingly, the extract of Annual Return may be accessed through the following link: <http://amdindustries.com/MGT-9%20EXTRACT%20OF%20ANNUAL%20RETURN%20AS%20ON%2031.03.2020..pdf>

Disclosures

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. The financial results/statement of the Company are placed on the website of the Company.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its related company.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. There is no change in the nature of business.
7. The company does not come under the purview of the Cost Audit.

Secretarial standards of ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

Sexual Harassment Policy

All the Company's units maintain 100% compliance with local and national laws, regarding ethics and human rights. AMD has formed Internal Complaints Committees at all of its operational locations where employees can register their complaints against sexual harassment. This is supported by the Anti-Sexual Harassment Policy which ensures a free and fair enquiry process with clear timelines for resolution. All employees are sensitised on these topics through structured training programmes. No cases of child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment were reported during the period.

Green Initiative

As in the previous years, this year too, Notice of 37th Annual General Meeting of the Company and Annual Report of the Company for the financial year 2019-20 are sent to all members whose e-mail addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, requested to register their e-mail ids. Due to Covid-19 copies are not being sent in the physical mode. The same is available on the website of the Company as well as of Stock Exchanges.

Acknowledgement

Your Directors take this opportunity to express their sincere appreciation of the cooperation and support of our customers, business associates and bankers for their continued support during the financial year.

Your Directors wish to convey our deep appreciation to the dealers of the Company for their achievements in the area of sales and service, and to suppliers/ vendors for their valuable support.

Your Directors also place on record our sincere appreciation for the enthusiasm and commitment of Company's employees for the growth of the Company and look forward to their continued involvement and support.

On behalf of the Board of Directors

Place: New Delhi
Date: 14/09/2020

Ashok Gupta
Chairman
(DIN- 00031630)



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[As per Form MR-3 and Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
AMD INDUSTRIES LIMITED
18, Pusa Road, 1st Floor, Karol Bagh,
New Delhi- 110005.

I, Amar Gopal Gambhir, Practising Company Secretary have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AMD Industries Limited** (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **AMD Industries Limited** books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by AMD Industries Limited ("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 Companies Act, 1956 (to the extent applicable) 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, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014; **(Not applicable to the Company during the Audit Period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

- i) I have also examined compliance with the applicable clauses of the following:
 - i. Secretarial Standards issued by The Institute of Company Secretaries of India including amendment thereof.
 - ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendment thereof.
- vi. Other Laws applicable to the Company as per the representation given by the Company, namely:
 - a) Factories Act, 1948
 - b) The Payment of Wages Act, 1936
 - c) Employees State Insurance Act, 1948
 - d) The Employees Provident funds and Miscellaneous Provisions Act, 1952
 - e) The Payment of Gratuity Act, 1972
 - f) The Water(Prevention & Control of Pollution) Act, 1974
 - g) The Air(Prevention & Control of Pollution) Act, 1981

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in accordance with the provisions of Companies Act, 2013, including the rule thereof and Secretarial Standard-1, also 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.

I Further Report that 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.

I Further Report that during the audit period, the following developments have taken place in the company:

All the operation lines & the production capacity of the Ghaziabad unit situated at C-4 & C-5, site 3, Meerut Road, Industrial Area, Ghaziabad, Uttar Pradesh has since been shifted to its Neemrana Plant located at SP-32, RIICO Industrial Area, Neemrana, Rajasthan for better control of the operations not effecting the overall cumulative installed production capacity of AMD Industries Limited. These details has also been posted on the website of the Company during the Financial Year 2019-2020.

This Report is to be read with our letter of even date which is annexed as Annexure- A and Forms an integral part of this report.

For, AGG & Associates
(Company Secretaries)

Sd/-
Amar Gopal Gambhir
(Prop.)
FCS No.3668
C P No.:3653



Annexure-A

To,
The Members
AMD Industries Limited

Our Report of Even date is to be read along with this Letter

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. For Factory Audit we rely on the Audit Report of Internal Auditor, as the same is not possible for us to visit the Factory and check the documents physically, due to pandemic COVID-19.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the Management Representation about the Compliance of Law, Rules and regulations and Happening of events etc.
6. The Compliance of the above provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management was conducted the affairs of the Company.

**For, AGG & Associates
(Company Secretaries)**

**Sd/-
Amar Gopal Gambhir
(Prop.)
FCS No.3668
C P No.:3653**

Annexure - II

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

- i. steps taken or impact on Conservation of Energy

Due to the impact of COVID-19, economic slowdown Machineries are not running at its full capacity. Thus the company has reduced its load for the time being in force.

- ii. Steps taken by the company for utilizing alternate sources of energy

The company is currently utilizing the conventional sources of energy. We are planning to get audited the total consumption to chalk out the plan to conserve the energy. Accordingly Company will take initiative on the basis of report and suggestions of Auditor.

- iii. The capital investment on energy conservation equipment

There was no capital investment on energy conservation equipment during the year. The same is under consideration which will be based on the report and suggestions shared by the Auditor.

B. TECHNOLOGY ABSORPTION

- i. Efforts made towards technology absorption

The company is a technology driven company and need not do specific in-house R & D efforts for its manufacturing.

- ii. The benefits derived liked product improvement, cost reduction, product development or import substitution

Improved technology helps in reduction in weight of products without compromising the quality of products, wastage in products. We have developed a separate department of cost saving to find out the deviations. To find out the deviations we are working the expenses on head wise.

- iii. Information regarding imported technology (imported during last three years)

Details of technology imported	Technology imported from	Year of Import	Status of implementation / absorption
NA	NA	NA	NA

- iv. Expenditure on R & D (current year & last year) : NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Lakhs)

Foreign Exchange Earnings and Outgo	2019-20	2018-19
Foreign Exchange Earned in terms of actual inflows	357625.70	135108
Foreign Exchange outgo in terms of actual outflows	2346207.75	320204.41

Annexure III

Information pursuant to section 197(12) of Companies Act, 2013.
Information pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non-executive directors *	Ratio to median remuneration
Mr. Prabhat Krishna	0.41
Mr. Mahipal	0.41
Ms. Shubha Singh	0.41

* They are the Independent directors and get sitting fee only.

Executive directors	Ratio to median remuneration
Mr. Ashok Gupta	41.53
Mr. Adit Gupta	38.79

- ii. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Director, Chief Executive Officer, Chief Financial Officer, Company Secretary	% increase in remuneration in the financial year
Mr. Ashok Gupta	-
Mr. Adit Gupta	-
Mr. Prabhat Krishna#	-

Mr. Mahipal Ahluwalia#	-
Ms. Shubha Singh#	-
Mr. Prabir Mukhopadhyay	6.00
Ms Radha Garg*	6.00

Get sitting fee only

- iii. The percentage increase in the median remuneration of employees in the financial year:

11.24%

- iv. The number of permanent employees on the rolls of Company: 206

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

The average annual increase made in the salaries of employees other than the managerial personnel in the last financial year was around 6%. During the course of the year, there is no increase in the managerial remuneration

- vi. Affirmation that the remuneration is as per the remuneration policy of the company.

The Company affirms remuneration is as per the remuneration policy of the Company.



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure & Developments

Packaging

In India, PET has become the primary preference in the packaging sector owing to the rigidity it offers, its eco-friendly attribute and recyclable nature. The demand for PET in the packaging of food and beverages witnessed a steep inclination after the sudden outbreak of **Coronavirus (COVID-19)** in the final quarter of FY 20. This astonishing increase in the demand is a ripple effect of the increasing awareness of hygiene, prompting an enhanced procurement of disposable and packaged items to reduce the chances of infection by any means.

Moreover, the increasing preference for PET bottles over aluminium and glass packaging, in rapidly expanding Indian pharmaceutical sector owing to its quality standard and safety is anticipated to further propel the demand for PET in the forecast period. As the healthcare and pharmaceutical sectors are likely to witness a robust expansion due to increasing requirement for equipment and medications after the Pandemic, the need for PET bottles for medical packaging is perceived to witness an incredible surge in the coming years.

Polyethylene Terephthalate is being manufactured in India on massive capacity by Reliance Industries followed by three other companies. Hence, majority of the demand for PET in India is satisfied by domestic production but cheap imports from other countries have certainly caused abrupt material injury to the Indian production in the last few years. However, the immense production capacity of PET in the country is also sufficient to cater to the export requirements from countries like Algeria, Bangladesh, Egypt, etc. The sudden spike in the demand for PET from food and beverages and healthcare industries is anticipated to compel manufacturers to operate over 60 per cent efficiency in order to profoundly fulfil the domestic as well as the international demand.

As PET is manufactured by utilizing Monoethylene Glycol (MEG) and Purified Terephthalic Acid (PTA), the production and availability of these feedstocks in the domestic market considerably affects the production of PET. PET can also be segmented based on its type as CSD (Carbonated Soft Drinks), Water Packaging, Food Packaging, Non-Food Packaging, Sheer & RPER. The consumption of PET in the domestic market varies with regions too. In India, PET is majorly consumed in North and West region due to the presence of large number of end-user industries and a vast distribution channel.

Real Estate Market

The COVID-19 pandemic has brought the construction activity and business cycles to a standstill. As a result, various deals have been put on hold and the coming quarters are likely to have muted investment activities. Under the relaxations given by the government, business activities are now picking up the pace and we expect the sector to pull through. However, the supply chain disruption and the return of migrant workers from several cities might hinder the construction activity to come back in full swing in the near time.

Unlike the residential sector, the commercial market had witnessed great traction over the last couple of years, but the pandemic outbreak has interrupted its growth momentum. With the evolving situations worldwide, the leasing activity might be driven by renewals and consolidations in the coming quarter but several deals that were in advanced stages and got pulled back might get converted towards the end of the year. Therefore, we expect the commercial sector to rebound around in next year by the June 2021.

Segment-wise or product-wise performance

Your Company manufactures Crown Caps which are mainly used as metallic closures for various edible items packed in glass bottles e.g. Carbonated Soft Drinks, Fruit Juices, Milk products, Beer etc. The use of glass bottles has been seen steady or little bit de-growth whereby the use of Returnable Glass Bottle (RGB) has been seen in reducing trends.

The plastic closure market has been continuously getting its momentum due to increased usage of PET Bottles. The sales of Closures were almost flat during the year against last year.

Outlook, Opportunities & Threats, Risk and Concerns

The beauty of our country lies in its democracy and the tremendous opportunities that it brings. Your Company has a very clear vision and strategic plan to capture the latest happenings and trends in the industry and align with them to gain maximum advantage from it. This is, perhaps, the reason why Manjushree continues to grow by leaps and bounds year after year and maintain its market leadership.

On one hand where democracy brings opportunities, it also induces fiercely heavy competition, and your Company is not an exception of it. The very unstable economy brings huge amount of foreign exchange fluctuation and volatility in Raw Material Prices, which are capable of eroding away the major stack of profits of the Company. Add to this is the extreme misery of having un-skilled manpower. These threats are being carefully examined and solutions are being derived thereof. Centralized operations, implementation of ERP systems and training and development of personnel are being continuously undertaken to make sure that your company stays ahead of the curve and is able to wade of such threats.

Financial Performance

During the year under review your Company registered total revenue of Rs.17454.57 lakhs as compared to previous year's revenue of Rs.15572.06 lakhs which shows a growth of approx. 12.08% over the previous year. The total Operational revenue (Sale of Product) for the year 2019-20 was of Rs.15,163.21 Lakhs as compared to the year 2018-19 of Rs.12,998.00 Lakhs which shows a growth of 16.65 % from last year. There is a Net Profit of Rs 508.57 Lakhs in the year 2019-20 as compared to Net Profit of Rs.19.18 Lakhs from the last year.

Internal Audit and Internal Control

The Company has adequate internal control system commensurate with the size of the company. The Company has appointed M/s B. L. Khandelwal & Co., Chartered Accountants, New Delhi, as the Internal Auditor of the Company to carry out the internal audit at regular intervals. The internal audit reports along with action taken reports thereon are reviewed by the Audit Committee.