



We create chemistry

Annual Report 2019-2020

BASF India Limited

#chemistryforcollaboration



'From Inspiration to Solution in one place' - At the Creation Center inaugurated in May 2019, BASF's design experts collaborate with customers to co-create new ideas and offerings.



Message from the Managing Director

Dear Shareholders,

It's been a year since I have had the honour of leading your Company. A year full of challenges with the tough macro-economic environment and the ongoing COVID-19 crisis. Despite the challenges, it has been a pleasure and I thank you, our team and the Board of Directors for the support and guidance in helping us navigate through these times.

The economy witnessed a slowdown in 2019-20 with the GDP growth declining from 6.1% in the previous year to 4.2%. While an improved monsoon had a positive impact on the agriculture sector, the industry and manufacturing sectors were adversely impacted with a pronounced slowdown. The worst hit sector was the automotive industry which registered a contraction of 18% over previous year, due to lower customer demand in anticipation of new launches compliant with Bharat VI emission norms, coupled with liquidity challenges due to the NBFC crisis. GDP growth slowed to a 20-year low of 3.1% with manufacturing contracting by 1.4% in the last quarter of the year.

Our diverse portfolio and successful execution of customer focused projects enabled your Company gain market position in most segments and make steady progress towards profitable growth. Implementation of digital channel management practices in the Agricultural Solutions business and the inauguration of the Creation Center at our Innovation Campus in Mumbai which has hosted ~40 customer collaboration workshops in its first year were some of the highlights in our customer-oriented activities. We implemented the Net Promoter Score (NPS) system in our Company which allows us to better understand the pain-points of our customers enabling us to take necessary steps to improve the ease of doing business with us. Initial results point to a continuous improvement in our performance over the last year.

You would be pleased to note that your Company achieved strong sales growth for FY 2019-20 reaching Rs. 75,510.5 million (25% growth Y-o-Y) on a comparable basis. The transition to merchandizing business model along with a strong focus on margins, operational costs and working capital management led to improved profitability and cashflow. All business segments delivered growth despite the challenging market environment with our Agricultural Solutions and Nutrition & Care segments leveraging on investments in market development and product portfolio.

The COVID-19 outbreak and the consequent countrywide lockdown towards the end of FY 2019-20 had a marginal impact on the year gone by with sales & collections hampered only in the last week of March. However, it has resulted in a significant demand drop in key sectors, such as automotive, construction & appliances, that are relevant to the business of your Company. Automotive production in India came to a complete standstill in the first months of the FY 2020-21 due to the countrywide lockdown resulting in shutdowns across the manufacturing supply chain. Concurrently, demand in areas related to nutrition, hygiene and health witnessed an increase in demand during the crisis. The forecasts from various agencies project a GDP contraction for the FY 2020-21 with industry and manufacturing experiencing a significant decline. In these difficult times, your Company has focused on the safety of our Company and employees while supporting our customers to enable a speedy recovery in the post-COVID scenario.

As part of BASF's global portfolio optimization, your Company has transferred the Construction Chemicals business to Master Builders Solutions India Private Limited and your Board of Directors have also approved the acquisition of 100% stake in BASF Performance Polyamides India Private Limited. Continuing with these structural reforms will be key to emerging stronger post the downturn when the positive policies and relief measures from the government build up demand in the economy.

A steadfast commitment towards high EHS standards, sustainability and operational excellence continues. Your Company has enhanced water storage and saving capabilities at the Dahej and Mangalore sites. Moreover, several plants of your Company have been certified by the International Automotive Task Force (IATF). The team is also driving simplification through digitalization of as-is processes at various plants across the country. This helps to sweat our manufacturing assets to cater to the needs of various industry segments and provides end-to-end project visibility and enhanced productivity.

Through our 155-year legacy, BASF has witnessed several ups and downs and has only evolved further by harnessing innovative chemistry. With BASF's solidarity, solidity and reliability, I am hopeful that we will emerge from the current volatile scenario, stronger. Let me, therefore, sum up by reemphasizing that our priorities on setting a course for sustainable and profitable growth for your Company remains intact. I truly appreciate your continued and valuable support.

Take care and stay safe!

With best wishes,

Narayan Krishnamohan

Thursday, 6th August, 2020 at 3.00 p.m. through Video Conferencing/ Other Audio Visual Means.

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Agenda

1. Presentation of Financial Statements and the Directors' / Auditors' Report.
 2. Declaration of Dividend.
 3. Re-appointment of Director.
 - 4-5. Special Businesses.
- The Notice of the Meeting is enclosed.

BASF India Limited

Registered Office:

The Capital, 'A' Wing, 1204-C
12th Floor, Plot No. C-70,
'G'-Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051.
Telephone : +91 6278 5600
Website : www.basf.com/in
E-mail ID : investor-grievance-india@basf.com

Corporate Identification Number:

L33112MH1943FLC003972

Works:

Maharashtra (Navi Mumbai)

- (1) Plot Nos. 12 & 13, TTC Industrial Area, MIDC, Thane-Belapur Road, Turbhe, Navi Mumbai – 400 705.
- (2) Plot Nos. C-68, TTC Industrial Area, MIDC, Thane-Belapur Road, Turbhe, Navi Mumbai – 400 613.

Karnataka (Mangalore)

Bala/Thokur Village, Surathkal-Bajpe Road,
Mangalore Taluka, Dakshina Kannada District,
Karnataka – 575 030.

Gujarat (Dahej)

4B, Dahej Industrial Estate, Village Dahej,
Taluka Vagra, District Bharuch, Gujarat – 392 130.

Andhra Pradesh (Nellore)

Plot 1 & 1A, APIIC Industrial Park,
Menakur Village, Block B, Naidupet Mandal,
SPSR Nellore District, Andhra Pradesh.

Himachal Pradesh (Nalagarh)

Khasra No. 87/1, Village: Beer Plassis,
Nalagarh, District: Solan, Himachal Pradesh.

West Bengal (Kharagpur)

Plot No. F-7, Vidyasagar Industrial Park,
Kharagpur, Paschim Medinipur, West Bengal.

Branch Offices:

Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad,
Kolkata and Pune.

Registrar & Share Transfer Agent:

TSR Darashaw Consultants Private Limited
(formerly TSR Darashaw Limited)
Unit : BASF India Limited,
6, H. M. Patrawala Industrial Estate,
Near Famous Studio, 20, Dr. E. Moses Road,
Mahalaxmi (West), Mumbai – 400 011.
Tel. No. : +91 22 66568484 Extn: 411/412/413
Fax No. : +91 22 66568494
Email : csg-unit@tsrdarashaw.com

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Board of Directors



Mr. Pradip P. Shah
Chairman



Mr. Narayan Krishnamohan
Managing Director



Mr. R. A. Shah



Mr. Arun Bewoor



Mrs. Shyamala Gopinath



Dr. Ramkumar Dhruva



Mr. Dirk Bremm



Mr. Narendranath J. Baliga
Chief Financial Officer &
Alternate Director



Mr. Pradeep Chandan
Company Secretary
& Alternate Director



Mr. Rajesh Naik
Whole-time Director

Management Committee

Mr. Narayan Krishnamohan
Mr. Narendranath J. Baliga
Mr. Bejoy Chandran
Mr. Brioux Boisdequin
Mr. Pradeep Chandan
Mr. Rajesh Naik
Ms. Sunita Sule
Mr. Jayant Bahekar

Statutory Auditors

Messrs Price Waterhouse Chartered Accountants LLP
252, Veer Savarkar Marg,
Shivaji Park, Dadar (West),
Mumbai – 400 028, India.

Cost Auditors

Messrs R. Nanabhoy & Co.
Cost Accountants
Jer Mansion,
70 August Kranti Marg,
Mumbai – 400 036.

Advocates & Solicitors

- (i) Messrs Crawford Bayley & Co.
State Bank Building, 4th Floor,
N. G. N. Vaidya Marg, Fort,
Mumbai – 400 023.
- (ii) Messrs Dhruve Liladhar & Co.,
61 Free Press House,
215 Free Press Journal Marg,
Nariman Point, Mumbai – 400 021.

Bankers

- (i) Citibank N.A.
- (ii) Deutsche Bank AG
- (iii) The Hongkong and Shanghai Banking Corporation Limited
- (iv) BNP Paribas
- (v) MUFJ Bank Limited
- (vi) Credit Agricole CIB
- (vii) Mizuho Bank

Internal Auditors

Messrs Mahajan & Aibara
Chartered Accountants
1, Chawla House,
62, Wodehouse Road,
Colaba, Mumbai – 400 005.

Secretarial Auditors

Messrs HS Associates
206, 2nd Floor,
Tantia Jogani Industrial Estate,
J. R. Boricha Marg, Opp. Lodha Excelus,
Lower Parel (E), Mumbai – 400 011.

Director - Legal, General Counsel (South Asia) & Company Secretary

Mr. Pradeep Chandan



At the Indian Chemical Council (ICC) annual outlook conference, Mr. Narayan Krishnamohan - Managing Director, BASF India Limited presented on the topic of "Ushering the next wave of innovations in specialty chemicals". He shared insights into how megatrends of digitalization, sustainability, e-mobility and waste management will drive innovation and growth in the country.



Dr. Martin Brudermüller - Chairman of the Board of Executive Directors and Chief Technology Officer, BASF SE visited India in January 2020. At his first town hall in India as Chairman, he interacted with colleagues and shared his expectations as well as commitment for the India business.

Directors' Report

Your Directors have pleasure in presenting their Report for the financial year ended 31st March, 2020.

Financial Results

(Rs. in million)

| Description | Year ended 31.3.2020 | Year ended 31.3.2019 |
|---|-------------------------|-------------------------|
| Revenue from operations | 75,510.5 | 60,256.7 |
| Profit / (Loss) before exceptional item and tax | 371.1 | (542.0) |
| Exceptional items | (324.6) | 1,260.6 |
| Profit before tax | 46.5 | 718.6 |
| Tax credit | (138.6) | (98.6) |
| Profit after tax | 185.1 | 817.2 |
| Dividend | 129.9 | 216.4 |

Performance

Revenue from operations at Rs. 75,510.5 million, represents an increase of 25.31% over the previous year mainly due to change in business model from agency to merchandise effective 1st April, 2019. Your Company reported a Profit before exceptional item and tax of Rs. 371.1 million for the year ended 31st March, 2020 as compared to loss before exceptional item and tax of Rs. 542.0 million in the previous year. Further, your Company reported a profit after tax of Rs. 185.1 million for the year ended 31st March, 2020 as compared to profit after tax of Rs. 817.2 million in the previous year.

The Agricultural Solutions business of your Company registered good growth in sales driven by volumes, mainly due to its diverse portfolio, above normal monsoon coupled with improved reservoir levels & increased sales from products for crops like corn, cotton and rice. However, its profitability was marginally impacted due to higher input costs.

The Industrial Solutions segment of your Company comprising of the Dispersions & Performance Chemicals businesses registered marginal increase in sales & profits due to expansion of capacity at the Dahej manufacturing site, right product mix and growth driven by merchandise volumes for antioxidant plastic additives, light stabilizer products, fuel additives and lubricant components. However, the pressure on margins continued due to higher input costs.

The Materials segment of your Company comprising of the Performance Materials & Monomers businesses registered modest growth in sales during the year under review as compared to the previous year, mainly due to shrinking commodity prices coupled with lower customer demand and lower sales in the transportation segment. However, the margins improved significantly due to revised pricing strategy for crude MDI and better realisation as compared to the input costs.

The Surface Technologies segment of your Company comprising of the Catalysts, Coatings & Construction Chemicals businesses registered marginal growth in sales mainly due to increased merchandise sales of precious metals, which was partially offset by a weak Coatings business due to slowdown in the auto-industry. The Construction Chemicals business was able to maintain its revenues despite strong competition and there was improvement in its margins due to better product mix and reduced raw material prices.

The Nutrition & Care segment of your Company comprising of the Care Chemicals, Nutrition & Health businesses registered a significant increase in sales during the year under review as compared to the previous year due to higher merchandise volumes, which was partially offset by divestiture of the Optical Brightening Agents business for paper & powder detergent applications. While the Nutrition & Health business registered higher margins due to better pricing strategy, significant increase in key raw material prices impacted the margins of the Care Chemicals Business.

During the year under review, the sales & profits of the Chemicals segment of your Company comprising of the Petrochemicals & Intermediates businesses increased substantially due to higher merchandise sales. While the Intermediates business of the Company registered higher margins from increased volumes, the margins of the Petrochemicals business were impacted due to higher input costs.

Export sales stood at Rs. 3,636.1 million during the year under review.

Doubling of production capacity for manufacture of polymer dispersions at Dahej site

Your Company plans to double its capacity for the manufacture of polymer dispersions with a new production line at its Dahej site in Gujarat. Through this investment, the Company aims to provide a reliable supply of high-quality dispersion solutions to customers in the fast-growing Indian and South Asian markets.

The Company had started the production of polymer dispersions at its Dahej site in October 2014 and currently operates one production line at the plant. The proposed investment will expand production capacity of dispersions for the construction, coatings, paper and adhesive industries and the enhanced production line will serve growing demand in South Asia.

Divestiture of stilbene based Optical Brightening Agents business to Archroma India Private Limited

In line with the Company's strategy of actively managing its portfolio, the Optical Brightening Agents (OBA) business for paper and powder detergent applications was transferred to Archroma India Private Limited, with effect from 6th December, 2019, for an aggregate consideration of Rs. 335.1 million, subject to necessary working capital adjustments, including an amount of Rs. 138.5 million, which is kept in escrow for a period of 12 months from the closing date.

The transaction included stilbene-based OBA product portfolio and the manufacturing unit at Ankleshwar, India. The OBA business was a part of the Company's Performance Chemicals division and Care Chemicals division.

Lone Star Funds to acquire BASF's Construction Chemicals Business

BASF SE, Germany, had signed a Share Purchase Agreement with Lone Star Funds, a global private equity player, for acquisition of BASF's Construction Chemicals business. The Construction Chemicals business of your Company comprises of admixture and construction systems and forms part of the Surface Technologies segment.

The Board of Directors of your Company at their meeting held on 11th February, 2020 approved the divestiture of the Construction Chemicals business to Master Builders Solutions India Private Limited, a wholly owned subsidiary of BASF SE, for a consideration of Rs. 5,951.6 million (on slump sale and at arm's length basis), subject to the approval of the Shareholders of the Company, being a related party transaction, and such other approvals as may be required. For this purpose, the Board had also taken into consideration the valuation report of Deloitte Touche Tohmatsu India LLP.

The Shareholders of the Company approved the said divestiture by way of Postal Ballot on 21st April, 2020. The Company has also executed Business Transfer Agreement on 14th May, 2020 for transfer of its Construction Chemicals Business to Master Builders Solutions India Private Limited. Accordingly, your Company's construction chemicals business stands transferred to Master Builders Solutions India Private Limited with effect from 1st July, 2020 and the Company has received an overall consideration of Rs. 5,951.6 million towards the said divestiture.

BASF SE, Germany, closes acquisition of Solvay's polyamide business

BASF SE, Germany, had acquired the Solvay's polyamide business globally. The transaction broadens BASF SE's polyamide capabilities with innovative and well-known brand such as Technyl® and also enhances its access to growth markets in Asia as well as in North and South America. The transaction includes eight production sites in Germany, France, China, India (Panoli, Gujarat), South Korea, Brazil and Mexico as well as research and development centers and technical consultation centers in Asia, North and South America.

Considering that the Polyamides business of BASF Performance Polyamides India Private Limited had operational synergies with the Engineering Plastics business of your Company, the Board of Directors of the Company at their meeting held on 22nd May, 2020 had evaluated the proposal to acquire 100% stake in BASF Performance Polyamides India Private Limited.

Accordingly, the Board of Directors of the Company on 10th July, 2020 have approved the acquisition of 100% stake in BASF Performance Polyamides India Private Limited from BASF SE and BASF Nederland B.V., for a consideration of an amount not exceeding Rs. 3,050 million, including adjustments, if any, subject to the approval of the Shareholders of the Company. In order to arrive at the consideration amount, your Company has, *inter alia*, relied upon the valuation report of Deloitte Touche Tohmatsu India LLP.

Dividend

The Board of Directors of your Company have recommended a dividend of Rs. 3/- per equity share of Rs. 10/- each i.e. 30% for the financial year ended 31st March, 2020, subject to the approval of the shareholders at the 76th Annual General Meeting of the Company to be held on 6th August, 2020. The aggregate dividend will absorb Rs. 129.9 million.

Further, as per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the top 500 listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Accordingly, your Company has formulated its Dividend Distribution Policy, which is available on the Company's website at <http://bit.do/basfdividenddistributionpolicy>

Directors

Mr. Raimar Jahn resigned as Director of your Company with effect from the close of business hours as on 20th July, 2019 and Mr. Dirk Bremm was appointed as Director of the Company with effect from 21st July, 2019 in place of Mr. Raimar Jahn. The Board of Directors of your Company placed on record its sincere appreciation of the valuable contributions made by Mr. Raimar Jahn during his tenure as Director of the Company. Mr. Narendranath J. Baliga was an Alternate Director to Mr. Raimar Jahn till 20th July, 2019 and was appointed as an Alternate Director to Mr. Dirk Bremm from 21st July, 2019.

In accordance with the provisions of Section 161 of the Companies Act, 2013, the shareholders of the Company have approved the appointment of Mr. Dirk Bremm as a Director of the Company by way of Postal Ballot on 21st April, 2020. Further, in accordance with the provisions of Section 161 (4) of the Companies Act, 2013, Mr. Dirk Bremm being eligible, offers himself for re-appointment as Mr. Raimar Jahn, in whose place he has been appointed as a Director of the Company would have retired by rotation at the 76th Annual General Meeting of the Company to be held on 6th August, 2020.

As required under the SEBI Listing Regulations, the profile of Director seeking re-appointment at the ensuing Annual General Meeting is provided on page no. 55 in the Corporate Governance Report, forming part of this Annual Report.

Finance & Accounts

Your Company continued to optimize borrowings during the year by focusing on cash flows and working capital management. Your Company availed of alternative funding options such as Commercial Papers, Trade Financing, Inter-Corporate Deposits from BASF Group Companies, etc., to ensure efficiency in its borrowing costs.

Your Company follows a prudent financing policy and aims to maintain optimum financial gearing at all times. Your Company's debt equity ratio was 0.5 as at 31st March, 2020.

Capital Expenditure

Capital expenditure incurred during the year aggregated to Rs. 726.9 million.

Credit Rating

The credit rating awarded to your Company by CRISIL on its long term & short-term debt programs is 'CRISIL AAA under "Rating Watch with Negative Implications"'. The ratings on the Fixed Deposits and Commercial Paper have been reaffirmed at 'FAAA/Stable' and 'CRISIL A1+', respectively.

Further, India Ratings and Research Private Limited has maintained a credit rating of "IND A1+" for the Commercial Paper Programme of Rs. 7,500 million. Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations & carry lower credit risk.

Fixed Deposits

During the year, your Company has not invited, accepted or renewed any fixed deposits from the public and accordingly, there is no principal or interest outstanding in respect thereof.

Management Discussion and Analysis Report

In terms of SEBI Listing Regulations, the Management Discussion and Analysis Report is appended to this Report.

Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance and has complied with the Corporate Governance requirements as per SEBI Listing Regulations.

A separate report on Corporate Governance as stipulated under SEBI Listing Regulations along with a Certificate of Compliance from the Statutory Auditors, forms part of this Annual Report.

Corporate Social Responsibility

As required under the provisions of the Companies Act, 2013, the Board of Directors of your Company constituted a Corporate Social Responsibility (CSR) Committee on 30th April, 2013.

Mr. Arun Bewoor, Mr. R. A. Shah, Independent Non-Executive Directors and Mr. Rajesh Naik, Whole-time Director are presently the members of the CSR Committee.

Mr. Pradeep Chandan, Director – Legal, General Counsel (South Asia) & Company Secretary is the Secretary of the CSR Committee.

The CSR Committee has formulated the CSR Policy and has recommended the activities to be undertaken by the Company as specified under Schedule VII of the Companies Act, 2013.

During the year under review, your Company was required to spend an amount of Rs. 1.3 million on CSR activities. However, in order to maintain project sustainability, the Board of Directors of your Company decided to spend an amount of Rs. 1.5 million towards CSR activities.

Your Company undertook CSR activities mainly in the areas of Water, Sanitation and Hygiene (WASH) including conduct of various behavioural change programs and impact assessment, details of which are provided in **Annexure I** of this Report.

Business Responsibility Report

Regulation 34(2) of the SEBI Listing Regulations, *inter alia*, provides that the Annual Report of the top 500 listed entities based on market capitalization, should include a Business Responsibility Report ("BRR").

Your Company, being among the top 500 listed entities, has included BRR as part of this Report as **Annexure II**, describing the initiatives taken by the Company from an environmental, social and governance perspective.

The BRR for the financial year 2019-2020 has also been hosted on the Company's website, which can be accessed at **www.basf.com/in**

Vigil Mechanism

Your Company has established a Whistle Blower Policy for employees, Directors and third parties to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report. This policy is available on the Company's website and can be accessed at: **<http://bit.do/basfwhistleblowerpolicy>**

Directors' Responsibility Statement

Your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they 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 ended 31st March, 2020 and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;

- (v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

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

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with sub-rule 3 of Rule 8 of the Companies (Accounts) Rules, 2014, forms part of this Report as **Annexure III**.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Company has devised a policy containing criteria for evaluating the performance of the Executive, Non-Executive and Independent Non-Executive Directors, Key Managerial Personnel, Board and its Committees based on the recommendation of the Nomination & Remuneration Committee. Feedback was sought by way of a structured questionnaire 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. The manner in which the evaluation has been carried out is explained on page no. 51 in the Corporate Governance Report, forming part of this Annual Report.

Policy on Directors' appointment and remuneration

The policy on Directors' appointment and remuneration including the criteria for determining the qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Companies Act, 2013, forms part of the Nomination & Remuneration Policy of the Company. This policy is available on the Company's website and can be accessed at: <http://bit.do/basfnrc>

Auditors

M/s. Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016), Mumbai, have been appointed as Statutory Auditors of the Company for a period of 5 years at the Annual General Meeting held on 28th September, 2017 i.e. upto the conclusion of the Annual General Meeting to be held in the calendar year 2022. They have confirmed to the Company that they are not disqualified from continuing to act as Statutory Auditors of the Company.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. H S Associates, Practicing Company Secretaries, Mumbai (C.P. 1483), to conduct the Secretarial Audit of the Company for the financial year 2019-2020 and to furnish the report to the Board. The Secretarial Audit Report dated 22nd May, 2020 forms part of this Report as **Annexure IV**.

Auditors' Report & Secretarial Audit Report

There are no qualifications/reservations placed by the Statutory Auditor and the Secretarial Auditor in their respective Reports for the financial year ended 31st March, 2020.

Cost Audit

The Board of Directors, in pursuance of Section 148 of the Companies Act, 2013, have appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, having Registration No. 000010, for conducting the audit of the cost accounting records maintained by the Company for the financial year 2020-2021. They have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from acting as Cost Auditors.

Composition of the Audit Committee

As required by Section 177(8) read with Section 134(3) of the Companies Act, 2013 and the Rules framed thereunder, the composition of the Audit Committee is in line with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, details of which are provided on page nos. 49 and 50 of the Corporate Governance Report, forming part of this Annual Report.

Related Party Transactions

All related party transactions that were entered into by the Company during the financial year were on arms' length basis. There are no materially significant related party transactions entered into by the Company with its Promoters, Directors, Key Managerial Personnel or other Related Parties, which may have a potential conflict with the interest of the Company at large.