

^{36th}
ANNUAL
REPORT 2019-20



**PARENTERAL DRUGS
(INDIA) LIMITED**



36th ANNUAL REPORT 2019-20

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Company Information

Board of Directors

Executive Directors

Shri Vinod Kumar Gupta
Managing Director and Chief Financial Officer

Shri Govind Das Garg
Whole-Time Director

Registered Office

340, Laxmi Plaza, Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai-400 053 (Maharashtra)
e-mail: pdpl@pdindia.com
website: www.pdindia.com

Non-Executive Directors

Shri Manohar Lal Gupta
Chairman

Shri Anil Mittal
Director

Shri Dharam Pal Khanna
Independent Director

Shri Dilip Kumar Sinha
Independent Director

Smt. Deepali Garhewal
Independent Director

Shri Manish Verma
Independent Director

Corporate Office & Investors Grievances Centre

Shree Ganesh Chambers,
Navlakha Crossing, A. B. Road,
Indore-452 001 (Madhya Pradesh)
e-mail: investor@pdindia.com

Auditors

M/s. Singhal Jain & Co.
Chartered Accountants,
A-18, Indrapuri Colony, Lal Kothi,
Tonk Road, Jaipur-302006 (Rajasthan)

Bankers

State Bank of India
Punjab National Bank

Company Secretary & Compliance Officer

Ms. Suruchi Maheshwari

Manufacturing Locations

Madhya Pradesh
Village: Panwa,
Tehsil: Kasrawad,
Dist.: Khargone-451 228
(M.P.) India

Himachal Pradesh
Village: Bhud,
Tehsil: Nalagarh,
Dist.: Solan-173 205
(H.P.) India

Registrar and Share Transfer Agent

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai-400 083
Tel. No.: 022 - 49186270
Fax No.: 022 - 49186060
e-mail: rint.helpdesk@linkintime.co.in

NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the members of Parenteral Drugs (India) Limited will be held on Saturday, the 19th day of September, 2020 at 9:30 A.M. IST through Video Conferencing (VC) to transact the following businesses:-

ORDINARY BUSINESS

1. **a. To consider, approve and adopt the Audited Standalone Financial Statements and report of the Board of Directors and Auditors thereon for the year ending 31st March, 2020**

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

"RESOLVED THAT pursuant to the provisions of section 129 and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, Audited Financial Statements for the year ending 31st March, 2020, on Standalone basis and the report of the Board of Directors' and Auditors' thereon, as circulated to the members through mail, be and are hereby approved and adopted;

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to perform all such acts, execute all such deeds, do all such matters and things as may be necessary to give effect to this resolution."

- b. To consider, approve and adopt the Audited Consolidated Financial Statements and Auditors' Report thereon for the year ending 31st March, 2020.**

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

"RESOLVED THAT pursuant to provisions of section 129 and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, Audited Financial Statements for the year ending 31st March, 2020, on Consolidated basis and the report of the Auditors' thereon, as circulated to the members through mail, be and are hereby approved and adopted;

RESOLVED FURTHER THAT Board of Directors of the Company, be and are hereby authorized to perform all such acts, execute all such deeds, do all such matters and things as may be necessary to give effect to this resolution."

2. **To re-appoint Shri Anil Mittal (DIN: 00039133), Director of the Company, who is liable to retire by rotation and being eligible offers himself for re-appointment:**

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

"RESOLVED THAT pursuant to the provision of section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and as per the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of Members of the Company be and is hereby accorded to re-appoint Shri Anil Mittal (DIN: 00039133) as director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT Board of Directors of the Company, be and are hereby authorized to perform all such acts, execute all such deeds, do all such matters and things as may be necessary to give effect to this resolution."

SPECIAL BUSINESS

ITEM NO. 3

RE-APPOINTMENT OF SHRI GOVIND DAS GARG (DIN: 00520067) AS WHOLE-TIME DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provision of sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by Nomination and Remuneration Committee and the Board of Directors of the Company, approval of Members of the Company be and is hereby accorded to re-appoint Shri Govind Das Garg (DIN: 00520067) as Whole-Time Director of the Company for a period of three years from the expiry of his present term of office, i.e. with effect from 1st January, 2021 who would be liable to retire by rotation under the provisions of section 152 of the Companies Act, 2013;

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

ITEM NO. 4

RE-APPOINTMENT OF SHRI MANISH VERMA (DIN: 08168517) AS NON-EXECUTIVE INDEPENDENT PROFESSIONAL DIRECTOR OF THE COMPANY FOR A SECOND TERM

To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provision of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV to the Companies Act, 2013, Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to re-appoint Shri Manish Verma (DIN: 08168517), as Non Executive, Independent Professional Director of the Company, not liable to retire by rotation from the expiry of his present term of office for a second term of 5 (five) consecutive years commencing from 1st February, 2021 to 31st January, 2026;

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

ITEM NO. 5

AUTHORITY TO ENTER INTO CONTRACTS/ARRANGEMENTS WITH RELATED PARTY

To consider and if thought fit, to pass with or without modifications 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 the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into loan license arrangements and any other contracts/arrangements for production, sale, purchase or supply of any goods or materials, finished goods, job work and availing or rendering of any services to/from M/s. Infutec Healthcare Limited, a related party, for an aggregate amount not exceeding Rs. 36,00,00,000/- (Rupees Thirty Six Crores Only) for the period commencing from 1st October, 2020 till 31st March, 2021;

RESOLVED FURTHER THAT for the period commencing from 01st April, 2021 till 30th September, 2021, the Board of Directors of the Company shall be empowered to enter into related party transaction(s) with M/s. Infutec Healthcare Limited for an aggregate amount not exceeding Rs. 36,00,00,000/- (Rupees Thirty Six Crores Only);

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, matters, deeds or things as they may in their discretion deem fit, required or considered necessary or incidental thereto, for giving effect to this resolution."

ITEM NO. 6

TO CONSIDER THE EFFORTS OF THE BOARD FOR SALE, TRANSFER OR DISPOSAL OF THE WHOLE OR SUBSTANTIALLY THE WHOLE OF THE ASSETS OF THE COMPANY AND TO RECORD SATISFACTION.

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

"RESOLVED THAT in furtherance of and without prejudice to the authority given by the shareholders of the company by way of Special Resolution at the 35th Annual General Meeting held on 31st August, 2019, and on earlier occasions, under the provision of sections 180 (1) (a) read with the provisions of section 188 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications, re-enactments or amendments thereto for the time being in force and also the Articles of Association of the Company, and further subject to other approvals, consents, permissions, terms and conditions and sanctions, if any, as may be required from the concerned Government, statutory/regulatory authorities and the Secured Lenders, wherever required; the efforts made by the Board of Directors of the company up till now to find out a workable solution to the financial difficulties of the company by approaching various banks and financial institutions, including NBFCs and others, are hereby taken on record and while recording the appreciation for the untiring efforts made by the Board of Directors for keeping the plant of the company in running condition, approval of the members of the Company be and is hereby accorded to the Board of Directors to continue finding solution to the financial difficulties of the company in terms of the permission accorded by the shareholders of the company at their 35th Annual General Meeting held on 31st August, 2019; by way of sale, lease, transfer or otherwise disposal of the whole or substantially the whole of the undertakings of the Company, as slump sale on a going concern basis and/or individually, on as is where is whatsoever there is basis, together with all the movable and immovable properties, whether tangible or intangible and whether forming part of the undertaking or not and all other assets of the Company, wherever situated, of every nature and description, whatsoever, to such person or company(s), whether related with the directors or the Company or otherwise, for such consideration as the Board of Directors of the Company may consider appropriate in the overall interest of the Company, its workers and creditors of the Company;

RESOLVED FURTHER THAT the authority given to the Board of Directors of the Company by the shareholders of the company by way of Special Resolution at the 35th Annual General Meeting held on 31st August, 2019, and on earlier occasions, under the provision of sections 180 (1) (a) read with the provisions of section 188 and other applicable provisions, if any, of the Companies Act, 2013, be and is hereby ratified till the company finds a solution to the financial difficulties of the company."

Place: Indore

Date: 25th August, 2020

For and on behalf of the Board

SD/-

Manohar Lal Gupta

Chairman

DIN: 00040784

NOTES

1. Statement pursuant to section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 and SEBI circular dated 12th May, 2020 (collectively referred to as "Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video conferencing (VC) /Other Audio Visual Mode (OAVM), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Circulars, the Annual General Meeting of the Company is to be held through VC/ OAVM.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is to be held pursuant to the Circulars through VC/ OAVM, physical attendance of members has been dispensed with. **Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form and attendance slip are not annexed to this Notice.** However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
4. The members can join the Annual General Meeting in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the Annual General Meeting through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the Annual General Meeting without restriction on account of first come first served basis.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to attend and/or vote.
7. Shareholders holding equity shares shall have one vote per share as shown against their holding. The shareholders can vote for their entire voting rights as per their discretion. The members can opt for only one mode of voting, i.e. either by e-voting or voting at the meeting through electronic system.
8. The Company has appointed CS Archana Maheshwari of M/s. Archana Maheshwari & Co., Practicing Company Secretaries, as Scrutinizer who shall scrutinize the remote e-voting and voting at the meeting through electronic system in a fair and transparent manner.
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from 14th September, 2020 to 19th September, 2020 (both days inclusive).
10. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice.
11. In accordance with the aforesaid circulars, notice of the ensuing AGM along with the Annual Report 2019-20 is to be sent only through electronic mode to those members whose email addresses are registered with the Company. Members may note that the notice and Annual Report 2019-20 is also available on the Company's website www.pdindia.com and websites of the Stock Exchanges i.e. Bombay Stock Exchange at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of CDSL at www.evotingindia.com.
12. Members seeking any information with regard to the disclosures, inspection of related documents/registers by members in connection with the AGM, as provide in the Act and the Articles of Association of the Company, are requested to write to the Company till the date of AGM through email on investor@pdindia.com. The same shall be made available by the Company in electronic mode.
13. Members holding shares in physical form are requested to forward all applications and shares related correspondence (including intimation for change of address and E-mail id) to the Share Transfer Agent of the Company at the following address:
Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 or write to rnt.helpdesk@linkintime.co.in
 The members are requested to:
 - a. Intimate to the Registrar/ Company, changes, if any, in their registered address/E-mail id at an early date along with the PIN code.
 - b. Quote registered folio/client ID and DP ID in all their correspondence(s).
14. Members holding shares in dematerialized form (electronic form) are requested to intimate any change in their address, etc., directly to their respective depository participants.
15. Pursuant to provisions of section 125 of the Companies Act, 2013, dividend which remained unpaid/unclaimed for a period of seven (7) years from the date of transfer of the same to the Company's unpaid dividend account has already been

transferred in previous years to the Investor Education and Protection Fund established by the Central Government.

Voting through electronic means:

Pursuant to the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Listing Regulations and aforesaid Circulars, the Company is providing facility of remote e-voting and e-voting at the meeting to its members in respect of business to be transacted at the 36th Annual General Meeting. For this purpose Company has appointed Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting agency. The facility for casting votes by a member using remote e-voting as well as the e-voting system on the date of AGM will be provided by CDSL.

The instructions for shareholders for Remote e-voting are as under:

- (i) The voting period shall begin on 16th September, 2020 at 9:00 a.m. and ends on 18th September, 2020 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 11th September, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" Module.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next, enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is sent on E-mail and those Shareholders who have not registered E-mail ID may send a request to investor@pdindia.com to get their sequence number.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Parenteral Drugs (India) Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote e-voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non Individual shareholders are required to send the scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to the scrutinizer and to the Company at the email id- investor@pdindia.com., if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

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

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@pdindia.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@pdindia.com. These queries will be replied to by the Company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same

shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

Shri Govind Das Garg (DIN: 00520067) is a promoter director of the Company and has been managing the affairs of the Company on day to day basis since 1994. He possesses a rich experience in the field of pharmaceutical business.

He was re-appointed as Whole-Time Director of the Company on 29th September, 2017, for a period of 3 (three) years commencing from 1st January, 2018 and his current tenure as Whole-Time Director is expiring on 31st December, 2020. The Nomination and Remuneration Committee and the Board of Directors of the Company recommended his re-appointment at their meetings held on 24th August, 2020 and 25th August, 2020 respectively. He will be liable to retire by rotation.

Further, the Company complies/ will comply with the conditions as set out in Section II of Part II of Schedule V of the Companies Act, 2013, details of which are as under:

I. General Information:

- (1) Nature of industry: Pharmaceutical
- (2) Date of commencement of commercial production: 2nd July, 1986
- (3) Financial performance based on given indicators: On standalone basis, during the financial year 2019-2020, the Company recorded a turnover of Rs. 31.87 crores and recorded a loss after tax of Rs. 114.07 crores.
- (4) Foreign investments or collaborations, if any: There are no overseas subsidiaries or collaborations of the Company.

II. Information about the Appointee:

- (1) Background details:
 - * Name: Shri Govind Das Garg
 - * Father's Name: Late Shri Fakir Chand Agrawal
 - * Date of Birth: 10th October, 1946
 - * Residential Address: 5, Anand Bagichi, Agrawal Nagar, Indore- 452001 (M.P.)
- (2) Past remuneration: Rs.1,25,000/- p.m. (Rupees One Lac Twenty Five Thousand Only per month) and contribution to Provident and Gratuity Fund as may be applicable (*Outstanding till now*).
- (3) Recognition or awards: None
- (4) Job profile and his suitability: Shri Garg (DIN: 00520067) has 41 years of working experience in diversified business activities including experience in pharmaceutical industry. He is basically looking into procurement and technical issues in the Company. He has been working as a Whole-Time Director of the Company since 2009 and has made pioneer contribution in growth of the Company.
- (5) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Shri Garg (DIN: 00520067) does not have any pecuniary relationship with the Company other than receipt of remuneration as a Whole-Time Director which has also not been accrued during the current tenure in compliance with the provisions of the Companies Act, 2013 and Rules made there under and is not related to any managerial personnel in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended.

III. Other information:

- (1) Reasons of loss or inadequate profits: The loss due to overall liquidity crunch being faced by the Company resulting in low turnover and productivity and thereby higher costs.
- (2) Steps taken or proposed to be taken for improvement: The Company is in process of formulating scheme to clear the Companies liabilities.
- (3) Expected increase in productivity and profits in measurable terms: Not ascertainable till the efforts as mentioned in above (point no. 2) are finalized.

IV. Disclosures:

The following disclosures are mentioned Corporate Governance, forming part of this Annual Report:-

- i. all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- ii. details of fixed component and performance linked incentives along with the performance criteria;

- iii. service contracts, notice period, severance fees;
- iv. stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Also, in terms of provisions of section 190 of the Companies Act, 2013, a draft contract of service with Shri Garg (DIN: 00520067), Whole-Time Director of the Company is available for inspection by members in accordance with the notes provided to the notice.

In terms of provision of sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V to the Companies Act, 2013, approval of the members of the Company is required for his re-appointment as a Whole-Time Director of the Company for a further period of 3 (three) years by way of passing the proposed resolution as a Special Resolution. Further, the Company will pay remuneration to the Whole-Time Director after obtaining all necessary permissions as may be required to be obtained as per the applicable provisions.

A brief profile of Shri Govind Das Garg is stated in the annexure to the Notice.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the resolution as set out in Item No. 3 except Mr. G. D. Garg.

The Board recommends passing of resolution as set out in item No. 3 as Special Resolution since he has attained the age of 70 years.

ITEM NO.4

Shri Manish Verma (DIN: 08168517) is Independent Director of the Company. He was appointed as Non-Executive Independent Professional Director of the Company at the Annual General Meeting of the Company held on 29th September, 2018 w.e.f. 29th June, 2018 and his current tenure of appointment is expiring on 31st January, 2021.

In the opinion of Nomination and Remuneration Committee and the Board, Shri Manish Verma fulfills the conditions of appointment of Independent Director as specified in the Companies Act, 2013, Rules made thereunder and other applicable provisions of listing regulations and is independent of the management and has given his consent and declaration for the same in accordance with section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Keeping in view the above facts and on the basis of recommendation of Nomination and Remuneration Committee and performance evaluation by the Board of Directors at their meeting held on 24th August, 2020, the Board is of the view that during his tenure as an Independent Director he has participated independently in the Committee and Board Meetings. The re-appointment and continuation of his directorship would benefit Company from the governance prospective and decided to continue and re-appoint Shri Verma as Non-Executive Independent Professional Director of the Company for second term of five consecutive years commencing from 1st February, 2021 to 31st January, 2026.

Also, in terms of sub section (13) of section 149 read with explanation to sub section (6) of section 152 of the Companies Act, 2013, Shri Manish Verma being independent directors shall not be liable to retire by rotation.

A brief profile of Shri Verma is stated in the annexure to the Notice.

A Copy of draft letter of appointment of Shri Verma setting out the terms and conditions of appointment shall also be made available for inspection as stated in notes to the Notice.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution as set out in Item No. 4.

The Board recommends passing of resolution as set out in item No. 4 as Special Resolution.

ITEM NO. 5

Your Company regularly enters into related party transactions with its erstwhile subsidiary Company viz. Infutec Healthcare Limited, a Related Party. Infutec Healthcare Limited has ceased to be subsidiary of the Company w.e.f. 10th July, 2018. However, the related party transactions viz. loan license arrangements and other contracts/arrangements for production, sale, purchase or supply of any goods or materials, finished goods, job work and availing or rendering of any services to/from M/s. Infutec Healthcare Limited will be continued.

Section 188 of the Act and the applicable Rules framed thereunder provide that any related party transaction requires prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) during a financial year amounts to 10% or more of the annual turnover of the Company in case of goods and materials or services as per audited financial statements of the preceding financial year of the Company.

The transactions to be entered into between the Company and Infutec Healthcare Limited, a related party by virtue of Section 2 (76) (vii) of the Companies Act, 2013, may exceed the limit as mentioned above. These transactions shall be in the ordinary course of business and at an arm's length basis even though as an abundant precaution, it is proposed to seek approval of the shareholders of the Company to enter into such transactions for an aggregate amount not exceeding Rs. 36,00,00,000/- (Rupees Thirty Six Crores Only) for the period commencing from 1st October, 2020 till 31st March, 2021 and from 1st April, 2021 till 30th September, 2021 for an aggregate amount not exceeding Rs. 36,00,00,000/- (Rupees Thirty Six Crores Only).

None of the Directors, Key Managerial Personnel of the Company and their relatives except Shri Manohar Lal Gupta (DIN: 00040784), Shri Vinod Kumar Gupta (DIN: 00039145), Shri Anil Mittal (DIN: 00039133) and Shri Govind Das Garg (DIN: 00520067), being the directors in Infutec Healthcare Limited and their relatives are concerned or interested, financially or otherwise, in the above referred resolution.

The Board recommends the resolution as set out in Item No. 5 of the accompanying notice, for the approval of members of the