



SANJIVANI

P A R A N T E R A L L I M I T E D

Compassion | Innovation | Trust.



25th ANNUAL REPORT 2018-2019



SANJIVANI

Index of Series

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BOARD OF DIRECTORS

Ashwani Khemka

Mrunmai Sarvankar

Shrenikkumar P. Solanki

REGISTERD OFFICE

Regd. Office: 205, P. N. Kothari Industrial Estate,
L. B. S. Marg, Bhandup (West), Mumbai 400 078.

REGISTRAR & SHARE TRANSFER AGENT

Link intime Pvt. Ltd.

C-101, 247 Park, L.B.S. Marg,
Vikhroli (W), Mumbai-400 083



SANJIVANI

NOTICE

NOTICE is hereby given that the Twenty Fifth ANNUAL GENERAL MEETING of SANJIVANI PARANTERAL LIMITED will be held on Monday, 30th day of September, 2019 at Aditya Banquet L.B.S.Marg, Bhandup (W), Mumbai – 400 078 at 9.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To Receive, Consider and Adopt the Audited Financial Statements of the Company for the year ended March 31, 2019 together with the reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Ashwani A. Khemka (DIN 0713011), who retires by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 148 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) payment of remuneration as decided by the Board on recommendation of to be paid to M/s Chetan Gandhi & Associates, Cost Accountants as the Cost Auditor of the Company for the financial year ending March 31, 2020, be and is hereby ratified and confirmed.”

Place: Mumbai

By order of the Board of Directors

Dated: August 26, 2019

Registered office:

205, P. N. Kothari Industrial Estate,
L.B.S. Marg, Bhandup (W),
Mumbai – 400 078

Ashwani Khemka

Chairman & Managing Director



Notes

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER(S) OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. Proxies in order to be effective, shall be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting. A proxy form is annexed to this Notice.**
- 2) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 3) The relative Explanatory Statement pursuant to section 102 of the Companies Act 2013 which sets out details relating to Special Business, is annexed hereto.
- 4) The Register of Members and Share Transfer Books of the company shall remain closed from Monday, September 23, 2019 to Monday, September 30, 2019 (both days inclusive).
- 5) Members are requested to furnish their Bank Account details, change of address and all other required details to the Registrar & Share Transfer Agents, M/s Link Intime India Pvt. Limited in respect of shares if held in physical form. In case of shares held in electronic form, these details should be furnished to the respective Depository Participants (DPs).
- 6) The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their copies of PAN card to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar & Share Transfer Agent.
- 7) Members are requested to bring their copies of Annual Report at the time of attending the Annual General Meeting.
- 8) All matters connected to shares transfers and other related matters be addressed to the Company's Share Transfer Agent M/s Link Intime India Pvt. Limited at C-101, 247 Park, L. B. S. Marg, Vikhroli (W), Mumbai - 400 083.
- 9) Members while corresponding with the company are requested to quote their respective Folio No. in the correspondence and also notify the change of address, if any, to the Company.
- 10) Members seeking any information/clarification with regard to accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
- 11) Members / Proxy holders are requested to produce attendance slip, at the entrance of the Hall of the meeting duly completed and signed.

12) Voting through electronic mode:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the notice) and Clause 35B of the Listing Agreement, the Company is providing facility to exercise votes on the items of business given in the notice through electronic system and the business may be transacted through e-voting services provided by Registrar & Share Transfer Agents (RTA), M/s Link Intime India Private Limited.

The instructions for e-voting are as under:

A. The e-Voting process to be followed by the shareholders to cast their votes:

- i. Use the following URL for e-voting www.evotingindia.com.
- ii. Shareholders who have voted on an earlier instance of voting can login using their existing password.



- iii. First time shareholders can login to the e-Voting system using their user-id (i.e. demat account number / folionumber), PAN and Date of Birth (DOB) or Bank account number mentioned for the said demat account or folio. Physical shareholders will have to login with the PAN, DOB or Dividend Bank details for every voting.
- iv. After logging in, demat security holders will have to mandatorily change their password. This password can be used by demat security holders for all future voting on resolutions of companies in which they are eligible to vote. Security holders have to then select the EVSN for which they desire to vote.
- v. Security holders can then cast their vote on the resolutions available for voting.
- vi. Security holders can also view the resolution details on the e-Voting website.
- vii. Once the security holder casts the vote, the system will not allow modification of the same.
- viii. During the voting period, security holders can login any number of times till they have voted on all the resolutions. However, once the security holder has voted on a resolution he/she would not be able to vote for the same resolution but, only view the voting.
- ix. The Portal will remain open for voting from : September 27, 2019 (10.00 a.m. I.S.T) till September 29, 2019 (5.00 p.m. I.S.T)

B. e-Voting for Custodians and Institutions:

- i. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk@evotingindia.com.
- iii. After receiving the login details they have to create a compliance user should be created who would be able to link the account(s) for which they wish to vote on.
- iv. The list of accounts should be mailed to helpdesk.evotingindia.com and on approval of the accounts they would be able to cast their vote.
- v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

C. GENERAL INSTRUCTIONS:

- i. The e-voting period commences from 10.00 a.m. I.S.T on September 27, 2019 and ends on 5.00 p.m. I.S.T on September 29, 2019. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the aforesaid cut-off date/record date i.e. September 20, 2019 may cast their vote during the above voting period electronically. The e-voting module shall be disabled by RTA for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- ii. The Company has appointed Mr. Dinesh Kumar Deora, Practising Company Secretary as the Scrutinizer to scrutinize the e-voting process, in a fair and transparent manner.
- iii. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- iv. In the event of a Poll, please note that the Members who have exercised their right to vote by electronic mean form as above shall not be eligible to vote by way of Poll at the meeting. The Poll process shall be conducted and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting shall be counted for the purpose of passing of resolution(s).



- v. Subject to the receipt of sufficient votes, the resolutions shall be deemed to be passed at the Twenty-Fifth Annual General Meeting of the Company scheduled to be held on Monday, September 30, 2019. The results declared along with the Scrutinizers' report shall be placed on the Company's website www.sanjivani.co.in and on the website of CDSL www.evotingindia.com within two days of the passing of the resolutions at the Twenty-Fourth Annual General Meeting of the Company and shall also be communicated to the Stock Exchange.

Place: Mumbai

By order of the Board of Directors

Dated: August 26, 2019

Registered office:

205, P. N. Kothari Industrial Estate,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078

Ashwani Khemka

Chairman & Managing Director

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS OF THE ACCOMPANYING NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT 2013.

FOR ITEM NO 3

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company.

Accordingly, consent of the shareholders is sought for passing the Ordinary Resolution as set out in item No. 5 of the notice for ratification of the remuneration payable to M/s Chetan Gandhi & Associates, Cost Auditors for conducting Cost Audit for the financial year/period ending March 31, 2020.

The Board of Directors recommend passing of the Ordinary Resolution set out in Item No. 4 of the Notice.

None of the Directors of the Company / Key Managerial Personnel and their relatives is/are concerned or interested, financial or otherwise, in any way, in the aforesaid resolution set out in Item No. 3 of the Notice.

This Explanatory Statements may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Place: Mumbai

Dated: August 26, 2019

Registered office:

205, P. N. Kothari Industrial Estate,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078

By order of the Board of Directors

Ashwani Khemka

Chairman & Managing Director



DIRECTORS' REPORT

Dear Members

Your Directors are presenting herewith the 25th Annual Report together with the Audited statement of accounts for the Financial year ended March 31, 2019.

FINANCIAL RESULTS

| (Rs. in lakhs) | | |
|----------------------|------------------|------------------|
| PARTICULARS | AS AT 31.03.2019 | AS AT 31.03.2018 |
| Sales & Other Income | 2605.07 | 1845.00 |
| PBID | (79.73) | (5173.70) |
| Interest | 32.84 | 44.50 |
| Depreciation | 117.09 | 119.07 |
| PBT | (229.66) | (5337.27) |
| PAT | (206.70) | (5305.67) |

PERFORMANCE AND BUSINESS REVIEW:

During the year under review, Company has achieved the turnover of Rs.2605.07 Lakh and Loss of Rs. 206.70 Lakh as against Rs.1845 Lakh and Rs.5305.67 Lakh respectively for the corresponding previous year.

DIVIDEND:

Your Directors do not recommend any dividend due to loss during the year under review.

TRANSFER TO RESERVES:

There has been no transfer to reserves out of the amount available for appropriation.

CHANGE IN THE NATURE OF BUSINESS:

There is no Change in the nature of the business of the Company during the year under review.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

There are no Subsidiary / Joint Ventures / Associate Companies.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

There are no loans, guarantees or investments as specified under Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The transactions entered into pursuant to the prior approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The Company has developed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions.



EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as “Annexure-A” to this Report.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 in respect of Corporate Social Responsibility (CSR) are not applicable to your Company during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS:

The global pharmaceutical market will exceed \$1.5 trillion by 2023 growing at a 3–6% compound annual growth rate for over the next five years. The key drivers of growth will continue to be the United States and pharmerging markets. In the United States, overall spending growth is driven by a range of factors including new product uptake and brand pricing, while it is offset by patent expiries and generics.

There are few notable trends reshaping the global pharmaceutical marketplace.

- Instances of chronic disease are increasing, placing even greater importance on pharmaceutical industry
- Healthcare policy-makers and payers are increasingly mandating what doctors can prescribe
- Demand for medicines is growing more rapidly in the emerging economies than the industrialised economies
- Governments are beginning to focus on prevention rather than treatment
- Regulators are becoming more cautious about approving new medicines

The industry will continue to explore emerging markets for growth, albeit not as aggressively as in the past. Among the top 20 pharmaceutical markets in the world, eight are emerging countries supported by an increasing middle class. Pharmerging markets like China and India are expected to reach the top three in the near future. However, constraints could come from government incentives potentially reducing medication reimbursements and health care costs.

OTC Drugs

- OTC drugs market is poised for the strong growth in the near future owing to factors like accelerated Rx to OTC switch by the drug manufacturers, growing tendency of people towards self- medication in developing regions and cost-saving advantage to citizens in regions of the Asia Pacific and Latin America are strongly driving the regional as well as global market.
- The OTC drugs market will record the highest growth rate in the emerging markets of Latin America, and South East Asia over the coming years. This can be attributed to the rapidly growing population, coupled with an expanding middle class in these regions with an increase in disposable new channels of the accessibility in emerging markets in retail outlets, supermarkets are also contributing to the growth of the OTC medication market in the emerging economies.

Industry Challenges

- Rising customer expectations: The commercial environment is getting harsher, as healthcare payers impose new cost constraints on healthcare providers and scrutinise the value, medicines offer much more carefully. They want new therapies that are clinically and economically better than the existing alternatives, together with hard, real-world outcomes data to back any claims about a medicine's superiority.
- Poor scientific productivity: Pharma's output has remained at a stable level for the past decade. Using the same discovering and developing processes, there's little reason to think its productivity will suddenly soar.
- FDC Ban: The government banned more than 600 different Fixed Dosage Combination drugs this year putting lot of pressure in large brands that were very well established. It was done to prevent anti-microbial resistance.
- Weak Anti-infective season: Normally, the monsoon season is where most of the industry does majority of their sales but this year it was a weak season.



- Constantly rising API Prices: The pollution norms in China have adversely affected the global pharmaceutical market due to rise in API cost. Due to this rise, the Indian API manufacturers have also raised their prices. Now the sale price of medicines in India is controlled by NPPA which fails to recognise the rising costs thereby gutting the margins.
- Push for Generic Medicines: The government of India has launched an initiative for Generic Medicines in order to reduce the cost for the common public. Due to this, many companies have suffered a major hit.

RISK MANAGEMENT

Company has implemented an integrated risk management approach through which it reviews and assesses significant risk on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place.

INTERNAL CONTROL SYSTEM

The Company's internal control system is designed and framed to ensure day to day effective and efficient operations and compliance of laws and regulations. An alert internal audit group monitors the systems and processes. The prime objective of this audit is to test the adequacy and effectiveness of all internal control systems and suggest improvements. Significant issues are brought to the attention of the audit committee for periodical review.

HUMAN RESOURCES

In any organization communication with employee is a key determinant factor of success your company believes that employees are the most valued assets for success and growth of the Company. Your Company had implemented internet network for communication between management and employees for enhanced accessibility and transparency. Company has also initiated many morale building programs to strengthen their self-belief which further benefits the Company.

FIXED DEPOSITS

During the financial year 2018-19, your Company has not accepted any deposit within the meaning of

Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association Mr. Ashwani A. Khemka, Director retires by rotation at the forth coming annual general meeting and being eligible offer himself for re-appointment.

Pursuant to Section 149(7) of the Act the Company has received declaration of Independence from all the Independent Directors as stipulated under section 149(6).

Details of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting as required under clause 49 of the Listing Agreement are annexed to the Notice convening the Annual General Meeting and forms part of the Annual Report.

Mr. Hitesh Rajnikant Khonna is appointed as Chief Financial Officer of the Company w.e.f. 23rd April, 2019.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE:

In terms of the provisions of the Companies Act, 2013 read with Rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board/Director(s) for the financial year 2018-19.

DECLARATION OF INDEPENDENCE:

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Clause 49 of the Listing Agreement.

NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE:

The Company has held 5 (Five) Board Meetings during the year under review on 30th May 2018, 18th June 2018, 14th August 2018, 14th November 2018, and 13th February 2019



The Company has held 4 (Four) Audit Committee Meetings during the year under review on 30th May 2018, 14th August 2018, 14th November'2018 and 13th February 2019.

WHISTLE BLOWER POLICY:

The Company has a whistle blower policy to report genuine concerns or grievances.

VIGIL MECHANISM:

Company established a vigil mechanism pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement for their directors and employees to report their genuine concerns or grievances., which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the member of Audit committee or to the Chairman of the Audit Committee.

STATEMENT OF DIRECTORS' RESPONSIBILITY

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2018 and of the profit and loss of the Company for the financial year ended 31st March, 2018;
- © proper and sufficient care has been taken 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;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE:

The conditions of corporate governance requirements are not applicable to the Company in view of net worth requirements.

AUDITORS AND AUDITORS' REPORT:

STATUTORY AUDITOR

M/s. R.B. Gohil & Co., Chartered Accountants, were appointed for a period of 5 years from the financial period year 01-04-2017 till 31-03-2022 and their tenure will continue upto the end of financial year 31-03-2022 and thereafter they are eligible for re-appointment for another term of 5 years. The Auditors' Report for the financial year 2018-19, does not contain any qualification, reservation or adverse remark.

COST AUDITOR

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors have appointed M/s Chetan Gandhi & Associates, Cost Accountants as Cost Auditors for the financial year ending March 31,2020 at a remuneration decided by the Board of Directors on recommendation of Audit Committee. Necessary resolution seeking the ratification by shareholders of the Company has been proposed in the notice convening Twenty-third Annual General Meeting.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of