

## **ARVEE LABORATORIES (INDIA) LIMITED**

Registered Address: 403, Entice, Nr. Jayantilal Park BRTS, Iscon Bopal Road,  
Ambli, Ahmedabad Gujarat 380058

[compliance@arveelabs.com](mailto:compliance@arveelabs.com) CIN : L24231GJ2012PLC068778

[www.arveelabs.com](http://www.arveelabs.com), Tel : 91- 2717-430479

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### **NOTICE**

Notice is hereby given that the 9th Annual General Meeting of the members of Arvee Laboratories ( India ) Limited will be held at on Tuesday, 29<sup>th</sup> September, 2020 at 11:00 a.m. through Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM") to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2020 and Statement of Profit & Loss Account and Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Shalin Bharatbhai Chokshi ( having Director Identification Number : 00191903 ) a Director of the Company who retires by rotation and being eligible offers himself for reappointment.

#### **SPECIAL BUSINESS**

3. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution for appointment of Mr. Paragbhai Manubhai Shah as an Independent Director :

“RESOLVED THAT, pursuant to the provision of Section 149, 150 and 152 and other applicable provision, if any, of the Companies Act, 2013 and rules made there under read with Schedule IV of the Companies Act, Mr. Paragbhai Manubhai Shah ( DIN : 08773974 ) who was appointed as an Additional Director with effect from 27<sup>th</sup> June, 2020 under Section 161 of the Companies Act 2013 be and is hereby appointed as Independent Director of the Company to hold office for a term upto five consecutive years commencing from 27<sup>th</sup> June, 2020 and shall not be liable to retire by rotation”

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members be and is hereby accorded to the continuation of directorship of Paragbhai Manubhai Shah ( DIN : 08773974 ) after he attains the age of 75 years, as an Independent Director of the Company

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution for Increase in Authorised Share Capital and consequent alteration in the Memorandum of Association

4. :

“RESOLVED THAT and provisions of Sections 61 and 13 and other applicable provisions, if any, of the Companies Act, 2013, read with (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, the authorized share capital of the Company be increased from Rs. 6,00,00,000 (Rupees Six Crores) divided into 60,00,000 ( Sixty Lacs ) equity shares of the face value of Rs. 10 (Rupees Ten) each to Rs. 11,25,00,000 (Rupees Eleven Crores Twenty Five Lacs ) divided into 1,12,50,000 ( One Crore Twelve Lacs Fifty Thousand Only ) equity shares of the face value of Rs. 10 (Rupees Ten) each by creation of additional capital of Rs. 5,25,00,000 (Rupees Five Crores Twenty Five Lacs Only ) divided into 52,50,000 ( Fifty Two lacs Fifty Thousand Only ) equity shares of the face value of Rs. 10 (Rupees Ten) each ranking pari-passu with the existing equity shares of the Company.”

“Resolved further that, the Existing Clause V of the Memorandum of Association of the Company be and is hereby altered as :

V. The Authorised Share Capital of the Company is Rupees 11,25,00,000 (Rupees Eleven Crores Twenty Five Lacs ) divided into 1,12,50,000 ( One Crore Twelve Lacs Fifty Thousand Only ) equity shares of the face value of Rs. 10 ( Rupees Ten Only ) each

“FURTHER RESOLVED THAT the Chairman and Managing Director of the Company or any one of the Directors of the Company or the Company Secretary of the Company be and are hereby authorised to do all such things, acts, deeds and matters as may be considered necessary, usual, proper or expedient to give effect to the above resolution, including but not limited to incorporation of amendment / suggestion / observation made by the Ministry of Corporate Affairs, to the extent applicable, without being required to seek any further consent or approval of the Members of the Company or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

5. To consider and if thought fit to pass with or without modification the following resolution as an Special Resolution for issue of bonus shares by way of capitalization of reserves :

“RESOLVED THAT pursuant to Section 63 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company, subject to regulations and guidelines for bonus shares issued by Securities and Exchange Board of India (as amended from time to time), as applicable and such permission, approval and sanctions as may be required in this connection, the consent of the members be and is hereby

accorded to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee which the Board constitutes / has constituted to exercise its powers including powers conferred by this resolution) for capitalization of amount of Rs, 5,51,00,000 ( Rupees Five Crores Fifty One Lacs Only ) out of the securities premium account or such other reserves as are permitted to be utilized for this purpose, as per audited financial statements for the financial year ended on March 31, 2020, for the purpose of issuance of bonus shares of (Rupees Ten only) each, credited as fully paid-up shares to the holders of the existing equity shares of the Company, whose names appear in the Register of Members / List of Beneficial Owners, as received from the National Securities Depository Limited and Central Depository Services (India) Limited, on such date (record date) as may be fixed in this regard by the Board which shall also include any committee thereof, in the proportion of 1 (one) fully paid up bonus equity share of each for 1 (one) fully paid up equity share of each held by the members and that the bonus shares so allotted shall, for all purpose, be treated as an increase in paid-up share capital of the Company held by each member and not as an income

"RESOLVED FURTHER THAT bonus shares so issued and allotted shall rank pari passu in all respect including dividend with existing fully paid-up equity shares of the Company and that such shares shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company."

"RESOLVED FURTHER THAT, shares held in dematerialized form, the Bonus shares will be credited to the respective demat account of the holders.

"RESOLVED FURTHER THAT, in case of fractional shares, if any, arising out of the issue and allotment of the bonus equity shares, the Board be and is hereby authorized to make suitable arrangements to deal with such fractions for the benefit of the eligible Members, including but not limited to, allotting the total number of new equity shares representing such fractions to a person(s) to be appointed by the Board of Directors who would hold them in trust for such Members and shall, as soon as possible, sell such equity shares at the prevailing market rate and the net sale proceeds of such equity shares, after adjusting the cost and the expenses in respect thereof, be distributed among such Members who are entitled to such fractions in the proportion of their respective fractional entitlements.

"RESOLVED FURTHER THAT the issue and allotment of bonus shares to NonResident, Person of Indian Origin and other foreign investors of the Company shall be subject to approval of Reserve Bank of India under the provisions of Foreign Exchange Management Act, 1999 and rules and regulations made thereunder and / or any other regulatory authority(ies), as may be required."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all other steps as may be necessary to give effect to the aforesaid resolution and determine all other terms and conditions of the issue of bonus shares as the Board may in its absolute discretion deem fit."

"RESOLVED FURTHER THAT for the purpose of giving effect of bonus equity shares, the Board and / or any designated officer/s of the Company be and are hereby severally authorised to do all such acts, deeds and things as per their discretion and deem necessary for said purpose including but not limited to filing

of forms / documents with Ministry of Corporate Affairs, Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and Depositories.”

6. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution for the cost auditor:

‘Resolved That pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. P. H. Desai & Co. (Firm Membership number 100377),, Cost Accountants, appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the fiscal year 2020-21, be paid a remuneration of Rs. 25,000/- per annum plus applicable taxes and out-of-pocket expenses that may be incurred..

Resolved Further That the Board of Directors of the Company be and is hereby authorised to perform all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution’

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for grant of approval of related party transactions :

“RESOLVED THAT pursuant to the provisions of section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment, modification, variation 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 (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to enter into contracts/ arrangements/ agreements/ transactions (including any modifications, alterations or amendments thereto) in the ordinary course of business and on arm’s length basis with related parties within the meaning of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as more particularly enumerated in the explanatory statement annexed to the Notice on such terms and conditions as may be agreed between the Company and its related party.”

“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, deeds, things, settle any queries, doubt that may arise with regard to any transactions with the related party, make such changes to the terms and conditions as may be considered necessary or desirable in order to give effects to this Resolution in the best interest of the Company.”

**Notes:**

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (hereinafter referred to as the “Act”), in respect of businesses to be transacted at the Annual General Meeting (hereinafter referred to as “AGM”), as set out under Item

No(s). 3 to 7 above and the relevant details of the Directors as mentioned under Item No (s). 2 to 3 above as required by Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed thereto.

2. The Board of Directors have considered and decided to include the Item nos. 4 to 7 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
3. **In view** of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. The Members can join the AGM 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 AGM 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 Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company

at [www.arveelabs.com](http://www.arveelabs.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. Members holding Shares in Electronic mode are requested to register/ update their e-mail address with their respective Depository Participants "DPs" for receiving all communications from the company electronically.
10. The Company has engaged the services of Accurate Securities & Registry Private Limited, Registrar and Transfer Agent as the authorized agency for conducting of e-AGM and providing e-voting facilities.
11. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
12. All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the meeting and other statutory registers shall be available for inspection by the Members at the Registered Office of the Company during office hours on all working days between 10.00 a.m. to 5.00 p.m. from the date of hereof up to the date of the Annual General Meeting.
13. The Register of Members and Share Transfer Books will remain close from Thursday, .day, 24<sup>th</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020 (both days inclusive) for the purpose of annual closing and Annual General Meeting.
14. The Members of the company holding Shares as on Friday,, 21<sup>st</sup> August, 2020 (Cut-off date for entitlement of Annual Report), shall be eligible for receiving the Annual Report 2019-20 along with the notice of the Annual General Meeting, by electronic mode to all the members whose email addresses are registered with the Depository Participant(s).
15. Members can avail the nomination facility by filing Form No. SH-13, as prescribed under Section 72 of the Companies Act, 2013 and rule 19 (1) of the Companies (Share Capital and debentures) Rules 2014 with the Company. Blank forms will be supplied on request.
16. Members who hold shares in dematerialized mode are requested to intimate any changes pertaining with their bank account details, ECS mandates, nominations, change of address/name etc. to their Depository Participant. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records

which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better service to the members.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**The remote e-voting period begins on Saturday, 26<sup>th</sup> September, 2020 at 09:00A.M. and ends on Monday, 28<sup>th</sup> September, , 2020 at 05\_:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system. Further note EVEN number for voting is 113863**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID

	For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 113863 then user ID is 113863001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) **If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) [Physical User Reset Password?](#) (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.



d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [admin@csjalan.com](mailto:admin@csjalan.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :**

1. In case shares are held in physical mode please provide 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 [compliance@arveelabs.com](mailto:compliance@arveelabs.com).

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), 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 [compliance@arveelabs.com](mailto:compliance@arveelabs.com).

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF 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 Members/ shareholders, who will be 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 in the AGM.
3. Members 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.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.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 EVEN of Company will be displayed. Please note that the members who

do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members 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/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

FOR & ON BEHALF OF THE BOARD OF  
ARVEE LABORATORIES ( INDIA ) LIMITED

Place: Ahmedabad  
Dated: 24<sup>th</sup> August, 2020

Sd/-

DIRECTOR  
Shalin Sudhakarbhai Patel

## ANNEXURES TO THE NOTICE

### ANNEXURE: A

**Details of the Director retiring by rotation and seeking Re-appointment at the Annual General meeting pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard: 2 (SS:2) issued by ICSI and approved by the Central Government.**

Name of the Director	Shalin Bharatbhai Chokshi
Father's Name	Bharatbhai Chokshi
Date of Birth	16/10/1984
Qualification	He is a graduate in commerce and holds a degree in Masters of Professional Accounting, Monash University, Australia.
Date of Joining the Board of Director of the Company	27/01/2012
Number of Shares held in the Company	669000
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil
Other Chairmanship / Membership of Committees of Board of other Companies	Nil
Specific Functional Area	He has been pivotal in bringing new international raw material suppliers to the Company which has proved to be highly cost beneficial to the company. At the same time he has identified key consumers for Company's products in the International market. He closely monitors Company affairs and its functions
Relationship with Directors / inter-se KMP	Nil as on 31 <sup>st</sup> March, 2020

Experience	Mr. Shalin Bharat Chokshi, aged 35 Years, is the Promoter and Whole Time Director of our Company. He is a graduate in commerce and holds a degree in Masters of Professional Accounting, Monash University, Australia. He has 10 years of experience in sales and international business. He has worked with Companies like B Chokshi Chem Private Limited, where he was responsible for developing new clients as well as suppliers. He has been instrumental in identifying new suppliers to strategically improve the Company supply chain.
Terms and Conditions of appointment	As per the agreement entered with effect from 4 <sup>th</sup> December, 2017. He is appointed on annual salary of Rs. 12,00,000 with effect from 4 <sup>th</sup> December, 2017 with the Power of the Board of Directors to increase his remuneration upto 25% per annum.
Remuneration sought to be paid and last drawn	Rs. 12.00 lacs plus perquisites.
Number of meeting of Board of Directors attended during the year	6

FOR & ON BEHALF OF THE BOARD OF  
ARVEE LABORATORIES ( INDIA ) LIMITED

Place: Ahmedabad  
Dated: 24<sup>th</sup> August, 2020

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Sd/-

DIRECTOR  
Shalin Sudhakarbhai Patel

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of item No. 3 to 7 is as under :**

**Item No. 3**

The Board of Directors of the Company at its meeting held on June 27, 2020, appointed Mr. Parag Manubhai Shah as an Additional Director of the Company in the capacity of Independent Director for a term of 5 years with effect from June 27, 2020, subject to the approval of the Members of the Company.

In terms of section 160 of the Companies Act, 2013, the Board Governance, Nomination and Compensation Committee and the Board have recommended the

appointment of Mr. Parag Manubhai Shah as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013. The Company has also received a notice in writing from a member proposing the candidature of Mr. Parag Manubhai Shah to be appointed as Director of the Company.

The Company has received a declaration from Mr. Parag Manubhai Shah confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mr. Parag Manubhai Shah consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Parag Manubhai Shah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company and he is independent of the management

Except Mr. Parag Manubhai Shah, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 3.

The Board of Directors recommends the resolution in relation to appointment of Mr. Parag Manubhai Shah as an Independent Director of the Company, as set out in Item No. 3 for approval of the members by way of a Ordinary Resolution. Additional Information required pursuant to SS – 2 is as under:

Name of the Director	Parag Manubhai Shah
Father's Name	Manubhai Shantilal Shah
Date of Birth	12/05/1954
Qualification	Graduation ( B.Sc)
Date of Joining the Board of Director of the Company	27 <sup>th</sup> June 2020
Number of Shares held in the Company	Nil
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil

Other Chairmanship / Membership of Committees of Board of other Companies	Nil
Specific Functional Area	<p>Mr. Parag Manubhai Shah is a experienced person. He is Bachelor of Science and has vast experience in the field of the Printing and Management of the Business of the Company. He also has enough experience in the field of legal and accountancy matters.</p> <p>Looking to the Profile and experience of the Company, the appointment of Mr. Parag Manubhai Shah will be very useful in maintain the balance between independent and non-independent directors</p>
Relationship with Directors / inter-se KMP	None
Experience	He has experience of more than 20 years. He is Bachelor of Science and has vast experience in the field of the Printing and Management of the Business of the Company. He also has enough experience in the field of legal and accountancy matters.
Terms and Conditions of appointment	Upto 5 years commencing from 27/6/2020
Remuneration sought to be paid and last drawn	Nil. However the Board of Directors is at liberty to pay remuneration within the limits of Companies Act 2013.
Number of meeting of Board of Directors attended during the year	Nil meeting attended during year 2019 – 2020.

#### **Item No. 4**

It is proposed to increase the authorized Share Capital of the Company in order to enable the Company to increase its Paid up Share Capital. It is proposed to increase the authorized share capital of the Company from Rs. 6.00 Crores to Rs. 11.25 Crores

In order to enable the Company to increase the authorized Share Capital, the proposed Special resolution is put for the approval of the members. It is proposed to alter the Clause V of the Memorandum of Association of the Company.

Hence the resolution is put for the approval of the members.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Item No. 5

In order to improve the liquidity of the Company's shares in the stock market and also to encourage participation of retail investors in the shares of the Company, the Board of Directors of the Company at their meeting held on August 24, 2020, have recommended that amount standing to the credit of securities premium account and free reserves, be applied for issue of bonus shares to the members of the Company in the proportion of 1 (one) fully paid up bonus equity share of Rs. 10- each for every 1 (one) fully paid up equity share of Rs. 10- each held on the record date to be determined by the Board. These bonus shares shall rank pari passu in all respects with existing equity shares including dividend. The Board recommends the Resolution at Item No. 6 for issue of Bonus Shares.

None of the Directors / Key Managerial Personnel or their relatives is concerned or interested in the resolution except to the extent of their shareholding in the Company, if any.

Item No. 6

The Board on the recommendation of the Audit Committee has approved the appointment of M/s. P.H. Desai & Co. Cost Auditors at remuneration of Rs. 25,000/- to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021. In accordance with the provisions of the Sec 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014, the Board recommends the approval for appointment and remuneration payable to the Cost Auditors. The Directors recommends the resolution for members' approval as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Item No. 7

Pursuant to Section 188 of the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of Board of Directors and prior approval of the members by way of Ordinary Resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules made thereunder from time to time. The aforesaid provisions are not applicable in respect of transactions entered into by the Company in the ordinary course of business on an arm's length basis.



However, pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members through Ordinary Resolution is required for related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceed 10% of the annual turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered / proposed to be entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required.

The Company has existing transactions with its related party, which is in the ordinary course of business and at arm's length basis. However, the value of transactions with related party in respect of upcoming financial years and the estimated value of transaction are likely to exceed 10% of the annual turnover of the Company, based on the audited financial statements for year ended 31<sup>st</sup> March, 2020.

Accordingly, on recommendation of the Audit Committee and Meeting of the Board of Directors held on 29<sup>th</sup> June, 2020 approved related party transactions and it is proposed to seek approval of the members by way of Ordinary Resolution under Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Power) Rules, 2014 and SEBI (LODR) Regulations, 2015 to enable the Company to enter into following related party transactions in one or more tranches.

The particulars of the contract / transactions with its related party are as under:

<b>Name of the Related Party</b>	<b>Nature of Relationship</b>	<b>Nature of Transaction proposed to be entered</b>
B. Chokshi Chem Private Limited	A Company in which Mr. Shalin Chokshi is interested directly or indirectly. Mr. Shalin Chokshi together with its relatives hold 100% share capital of B. Chokshi Chem Private Limited.	Sale, Purchase or supply of any goods or material

The Aggregate value of transactions of the Company with per related party does not exceed 50 Crore Rupees per year. The approval is being sought for a period of 5 ( five ) financial years.

Mr. Shalin Chokshi is deemed to be interested in the proposed resolution. Other than this none of other directors, Key Managerial Personnel or their relatives are directly or indirectly concerned or interested, financially or otherwise, except to the extent of his/ her respective shareholding, if any, in the Company, in the resolution set out in item No. 7 of the Notice.

The Board recommends the Ordinary Resolution at Item No. 7 of the Notice for approval of the Members.

## **ARVEE LABORATORIES ( INDIA ) LIMITED**

### **DIRECTOR`S REPORT**

To  
The Members of,  
**ARVEE LABORATORIES ( INDIA ) LIMITED**  
Ahmedabad

Your Directors have pleasure in presenting the 9<sup>th</sup> Annual Report and Audited Statement of Accounts for the year ended on 31<sup>st</sup> March 2020 with Auditor`s Report thereon.

#### **Financial Highlights**

( Rs. In Lacs )

<b>Particulars</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
Revenue from Operations	4541.87	5490.18
Other Income	34.60	35.39
Total Revenue	4576.47	5525.58
Depreciation	228.90	235.05
Financial Expenses	98.77	163.37
Profit before Tax	309.05	254.41
Tax Expense -		
Current Tax	100.77	43.15
Prior Period Taxes	0	1.56
Deferred Tax	(14.41)	(16.59)
Profit After Tax	222.69	226.28

Turnover has declined in comparison to the previous year. Profit after tax has declined marginally.

The Company is taking all the possible steps to increase the profitability.

#### **Transfer to Reserves :**

The Opening Balance of Reserves and Surplus is Rs. 1095.18 Lacs. The whole of the net Profit of Rs. 222.69 lacs is transferred to the Reserves and Surplus. The Closing Balance of Reserves & Surplus is of Rs. 1317.88 lacs.

**Dividend :**

In order to conserve resources, your Directors do not recommended dividend for the year 2019-20 on Equity Shares of the Company.

**Details regarding Energy Conservation :**

Pursuant to Rule 8 ( 3 ) of Companies ( Accounts ) Rules, 2014, the Board of Directors hereby statge as under declare that.

**A. CONSERVATION OF ENERGY:**

<b>Power &amp; Fuel Consumption:</b>	<b>Current Year</b>
<b>Electricity:</b>	
<b>i) Purchased:</b>	
(a) Units	<b>12,14,748 units</b>
(b) Amount	<b>91,76,209.80</b>
(c) Units/per liter of Diesel Oil	--
(d) Cost per unit (Rs.)	<b>7.55/Unit</b>
<b>ii) Own Generation:</b>	
(a) Units	--
(b) Amount	--
(c) Units/per liter of Diesel Oil	--
(d) Cost per unit (Rs.)	--
<b>iii) Windmill Turbine:</b>	
(a) Units	--
(b) Amount	--

Steps taken or impact on conservation of energy.

In line with the Company's commitment towards conservation of energy, all units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption. Some of the measures taken by the Company in this direction at its units located at areas under:

- a. We have made optimum use of electrical motors and day light resources at plant.
- b. Installation of LEDs at several locations.

The steps taken by the company for utilising alternate sources of energy:

NIL

**Details regarding Technology Absorption :**

Pursuant to Rule 8 ( 3 ) of Companies ( Accounts ) Rules, 2014, the Board of Directors hereby declare that there are no particulars to report for Technology Absorption. However the Company takes help of the technical consultants from time to time.

**Details regarding Foreign Exchange Earnings and Outgo :**

The details regarding foreign exchange earnings and outgo are provided in the note no. 32 to the financial Statement. Members are requested to refer the same.

**Disclosure of Directors Responsibility Statement :**

As required u/s 134 (5) of the Companies Act, 2013 the Directors hereby state and confirm:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year as on 31/03/2020 and of the profit of the company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on a going concern basis.
- v. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Listing:**

The Equity Shares of your Company are listed on Emerge Platform of National Stock Exchange of India Limited. The Company has paid necessary listing fees for the year 2020 – 2021.

**Details of Material Changes and Commitments, Occurred during the Period affecting financial position of the Company:**

During the year under review there were no significant and material orders passed by any Regulators or Court or Tribunals which may have impact on the going concern status. No order has been passed by any Regulators or Court or Tribunals which may have impact on the Company's operation in future. Further there is no material changes and commitments occurred subsequent to the Balance sheet till date of report.

**Particulars of Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013:**

The Company has not provided any guarantee or provided any Security to any Person for the loans availed by others. The details regarding the Loans and Advances, Investments, if any, are provided in the Balance Sheet.

**Particulars of Contracts or Arrangements with Related Parties under Section 188 of the Companies Act, 2013 :**

All contracts / arrangements / transactions, if any, entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company has entered into transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

No advance is paid to any related party ( other than loans and advances ) for entering any transaction. No Bad Debts of related parties.

The details of the related party transactions are disclosed in note 29 to the financial statement which sets out related party disclosures. The requisite details are also provided in form AOC – 2 which forms part of the report.

**Disclosure of Companies covered under Section 178 ( 1 ) on Directors appointment and Remuneration including matters referred under Section 178 ( 3 ) of Companies Act, 2013 and Details of Statement indicating manner in which formal annual evaluation made by Board of its Performance and of its Committees and individual Directors:**

The Company has devised a Policy for Directors; appointment and remuneration including criteria for determining qualifications, performance evaluation and other matters of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of both non-executive directors and executive directors.

The Company's Nomination & Remuneration policy which includes the Director's appointment & remuneration and criteria for determining qualifications, positive attributes, independence of the Director & other matters is attached as Annexure- I to this Report and the same is also available on the website of the Company at the link [www.arveelabs.com](http://www.arveelabs.com)

**Declaration by Independent Directors:**

The Independent Directors of the Company namely Vishal Nitin Mehta, Chandrakala Ashok Bhatt and Parag Manubahi Shah ( w.e.f. 27<sup>th</sup> June 2020 ) have confirmed to the Board that they meet the criteria of independence as specified under Section 149 ( 6 ) of the Companies Act, 2013 and they qualify to be independent directors. They have also confirmed that they meet the requirements of independent directors as specified in the SEBI ( Listing Obligations and Disclosure Requirements ) Regulations 2015.

**Auditors and Audit Report :**

At the 7<sup>th</sup> Annual General Meeting of the Company KCJM & Associates, Chartered Accountants, Ahmedabad were appointed as Statutory auditors for a period of five years including for the financial year 2017 – 2018. Pursuant to the notification issued by MCA ratification is not required at each annual general meeting.

There is no qualification or adverse remarks made by the auditors in their report.

**Cost Audit and Cost Records:**

The Company has maintained adequate Cost records required to be maintained in terms of the Companies Act, 2013.

P.H. Desai & Co., acts as a Cost Auditor for the financial year 2019 – 2020 and also for the year 2020 - 2021.

**Disclosure of Risk Management Policy :**

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventorised and integrated with the management process such that they receive the necessary consideration during decision making.

**SECRETARIAL AUDIT**

The Company has obtained a Secretarial Audit Report M/s. Jalan Alkesh & Associates, Company Secretary in Practice to conduct the secretarial audit for the financial year 2019-20. Secretarial Audit is attached and marked as Annexure II.

In the opinion of the Board there is no qualification or adverse remarks.

**Board Meetings:**

During the year under review, 6 ( Six ) Board meetings were held. The dates of Board meetings and attendance details are as under

Sr. No.	Date of Board Meeting	No. of Directors entitled to attend	No. of Directors who have attended the meeting	Name of the Director who Attended
1	27 <sup>th</sup> May 2019	6	6	1. Mr. Shalin Sudharkbhai Patel 2. Mr. Shalin Bharat Chokshi 3. Mr. Saumil Bharatbhai Chokshi 4. Mrs. Chandrakala Ashok Bhatt 5. Mr. Amishkumar Maheshkumar Shah 6. Mr. Vishal Nitin Mehta
2	10 <sup>th</sup> July, 2019	5	5	1. Mr. Shalin Sudharkbhai Patel 2. Mr. Shalin Bharat Chokshi 3. Mrs. Chandrakala Ashok Bhatt 4. Mr. Amishkumar Maheshkumar Shah 5. Mr. Vishal Nitin Mehta
3	23 <sup>rd</sup> October, 2019	4	4	1. Mr. Shalin Sudharkbhai Patel 2. Mr. Shalin Bharat Chokshi 3. Mrs. Chandrakala Ashok Bhatt 4. Mr. Vishal Nitin Mehta
4	14 <sup>th</sup> November, 2019	4	4	1. Mr. Shalin Sudharkbhai Patel 2. Mr. Shalin Bharat Chokshi 3. Mrs. Chandrakala Ashok Bhatt 4. Mr. Vishal Nitin Mehta
5	16 <sup>th</sup> January, 2020	4	4	1. Mr. Shalin Sudharkbhai Patel 2. Mr. Shalin Bharat Chokshi 3. Mrs. Chandrakala Ashok Bhatt 4. Mr. Vishal Nitin Mehta
6	20 <sup>th</sup> March, 2020	4	4	1. Mr. Shalin Sudharkbhai Patel



				2. Mr. Shalin Bharat Chokshi 3. Mrs. Chandrakala Ashok Bhatt 4. Mr. Vishal Nitin Mehta
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In respect of the above board meetings adequate notice was given to all the Directors together with the agenda. The gap between two Board meetings does not exceed 120 days. Independent Directors meeting was held on 27<sup>th</sup> May, 2019.

**Corporate Governance:**

Since the Company securities are listed on emerge platform of NSE, by virtue of Regulation 15 of SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 the compliance of corporate governance provisions as specified in regulation 17 to 27 and clauses ( b ) to ( i ) of sub – regulation ( 2 ) of Regulation 46 and para C, D and E of Schedule V are not applicable to the Company. Hence Corporate Governance requirement do not apply.

**Management Discussion and Analysis Report**

Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of the SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 is attached herewith and marked as Annexure III.

**Code of Conduct**

The Board of Directors has already adopted the Code of Ethics and Business Conduct for the Directors and Senior Management personnel. This code is a comprehensive code applicable to all Directors, Executive as well as Non – executive and members of the Senior Management. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them.

A declaration given by the Managing Director and CEO is given below:

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2019-2020.”

The company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company and can be accessed at [www.arveelabs.com](http://www.arveelabs.com)

**Dematerialization of Shares:**

100% Equity Shares of the Company are in demat form.

**Policies :**

Various policies required under the provision of the Companies Act, 2013 and SEBI ( Listing Obligations and Disclosure Requirements ) Regulations 2015 are adopted and uploaded on the website of the Company namely [www.arveelabs.com](http://www.arveelabs.com)

**Committees:****a. Audit Committee:**

Audit Committee as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 have been constituted with effect from 4<sup>th</sup> December, 2017.

Role of the audit committee

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors on any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism, in case the same exists.
19. Approval of appointment of Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience & background, etc. of the candidate.

20. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.

21. Monitoring the end use of funds raised through public offers and related matters.

The Audit Committee shall mandatorily review the following information:

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

Powers of the Audit Committee

- ⊙ Investigating any activity within its terms of reference;
- ⊙ Seeking information from any employee;
- ⊙ Obtaining outside legal or other professional advice; and
- ⊙ Securing attendance of outsiders with relevant expertise, if it considers necessary.

The composition of audit committee is as under

Name of the Director	Designation
Vishal Nitin Mehta	Independent Director
Amishkumar Maheshkumar Shah ( upto 26.9.2019 )	Independent Director
Shalin Sudhakarbhai Patel	Managing Director

Vishal Nitin Mehta acts as a Chairman of the Committee.

The Company Secretary of the Company acts as the Secretary to the Audit committee. All the recommendations of the audit committee have been accepted.

The audit Committee met on

Date of Audit Committee Meeting	No of Directors entitled to attend the meeting	No. of Directors attending the meeting	Attended by Director
27 <sup>th</sup> May 2019	3	3	1. Mr. Vishal Nitin Mehta 2. Mr. Amishkumar Shah 3. Mr. Shalin Patel
10 <sup>th</sup> July, 2019	3	3	1. Mr. Vishal Nitin Mehta 2. Mr. Amishkumar Shah 3. Mr. Shalin Patel
1 <sup>st</sup> October, 2019	2	2	1. Mr. Vishal Nitin Mehta 2. Mr. Shalin Patel
14 <sup>th</sup> November, 2019	2	2	1. Mr. Vishal Nitin Mehta 2. Mr. Shalin Patel

**Stakeholders Committee:**

The Stakeholders Relationship Committee was constituted as per the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide resolution passed at the meeting of the Board of Directors held December 04, 2017. The terms of reference of the Stakeholders Relationship Committee include the following:

1. Redressal of shareholders'/investors' complaints.

2. Reviewing on a periodic basis the approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal.
4. Non-receipt of declared dividends, balance sheets of the Company.
5. Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The composition of Stakeholders Relationship Committee is as under :

Name of the Director	Status in Stakeholders Relationship Committee
Mr. Amishkumar Maheshkumar Shah ( upto 26.9.2019 )	Chairman
Mr. Shalin Bharat Chokshi	Member
Mr. Saumil Bharatbhai Chokshi ( upto 24.6.2019 )	Member

The Company Secretary acts as a secretary of the Committee. All recommendations of Stakeholders Committee have been accepted by the Board.

The Stakeholders Committee met 2 times on

Date of Meeting of Stakeholders Committee	No. of Directors entitled to attend the meeting	No. of Directors attending the meeting	Attended by Directors
3 <sup>rd</sup> May, 2019	3	3	1. Shri Amishkumar Shah 2. Shri Shalin Chokshi 3. Shri Saumil Chokshi
6 <sup>th</sup> September, 2019	2	2	1. Shri Amishkumar Shah 2. Shri Shalin Chokshi

**Nomination and Remuneration Committee:**

The constitution of the Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was approved by a Meeting of the Board of Directors held on December 04, 2017.

The role of Nomination and Remuneration Committee is as under :

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on diversity of Board of Directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

The composition of Nomination and Remuneration Committee is as under

Name of the Director	Status in Stakeholders Relationship Committee
Chandrakala Ashok Bhatt	Chairman
Mr. Vishal Nitin Mehta	Member
Mr. Saumil Bharatbhai Chokshi ( upto 24.6.2019 )	Member

The Company Secretary acts as a secretary of the Committee.

Date of Meeting of Nomination and	No. of Directors entitled to	No. of Directors	Name of the Director attending the meeting

Remuneration Committee	attend the meeting	attended the meeting	
3 <sup>rd</sup> May, 2019	3	3	1. Smt. Chandrakala Ashok Bhatt 2. Shri Vishal Nitin Mehta 3. Shri Saumil Bharat Chokshi
17 <sup>th</sup> January, 2020	2	2	1. Smt. Chandrakala Ashok Bhatt 2. Shri Vishal Nitin Mehta

All the recommendation of Nomination and Remuneration Committee were accepted by the Board.

### **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS**

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

#### **Corporate Social Responsibility :**

The Company do not fall under the Criteria of Section 135 of the Companies Act, 2013.

#### **Investor Education and Protection Fund:**

No amount was required to be transferred to Investor Education and Protection Fund.

#### **Disclosure under Rule 8 ( 5 ) of Companies Accounts Rules, 2014 :**

##### **a) Disclosure of financial Summary / Highlights :**

<b>Particulars</b>	<b>2019 – 2020</b>	<b>2018 - 2019</b>
Revenue from Operations	4541.87	5490.18
Other Income	34.60	35.39
Total Revenue	4576.47	5525.58
Depreciation	228.90	235.05
Financial Expenses	98.77	163.37



Profit before Tax	309.05	254.41
Tax Expense -		
Current Tax	100.77	43.15
Prior Period Taxes	0	1.56
Deferred Tax	(14.41)	(16.59)
Profit After Tax	222.69	226.28

The Company is taking all the possible steps to increase the profitability.

**b) Disclosure of Change in Nature of Business :**

The Company is engaged in Chemicals. There is no change in nature of Company Business.

**c) Details of Directors / Key Managerial Personnel Appointed / Resigned:**

During the year under the review, no Directors / Key Managerial Personnel was appointed.

During the year under the review, following Director have resigned.

- a. Mr. Saumil Bharat Chokshi has resigned as Director of the Company with effect from 24<sup>th</sup> June, 2019.
- b. Mr. Amishkumar Maheshkumar Shah has resigned as a Director of the Company with effect from 26<sup>th</sup> September, 2019.

**d) Details of Holding / Subsidiary Companies / Joint Ventures / Associate Companies:**

During the year under review, the Company has no holding / subsidiary companies / joint ventures / associate companies.

**e) Details regarding Deposit covered under Chapter V of the Companies Act, 2013.**

The Company has not invited any deposit other than the exempted deposit as prescribed under the provision of the Companies Act, 2013 and the rules framed there under, as amended from time to time. Hence there are no particulars to report about the deposit falling under Rule 8 (5) (v) and (VI) of Companies (Accounts) Rules, 2014

**f) Details of Deposit which are not in compliance with requirements of Chapter V of the Act.**

Not Applicable

**g) Details of Significant and Material Orders passed by Regulators or Courts or Tribunals.**

There are no material changes and commitments, if any, affecting the financial position of the Company between the financial years end of the Company and date of the report.

**h) Internal financial Controls.**

The Company has identified and documented all key internal financial controls, which impact the financial statements. The financial controls are tested for operating effectiveness through ongoing monitoring and review process of the management and independently by the Internal Auditors. In our view the Internal Financial Controls, affecting the financial statements are adequate and are operating effectively.

FormNo.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020.

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

I	CIN	L24231GJ2012PLC068778
ii	Registration Date	27/01/2012
iii	Name of the Company	ARVEE LABORATORIES (INDIA) LIMITED
Iv	Category/Sub-Category of the Company	Indian Non Government Company / Company Limited by Shares
V	Address of the Registered office and contact details	403, Entice, Nr. Jayantilal Park BRTS, Iscon Bopal Road, Ambli, Ahmedabad, Gujarat India 380058 shalin.patel@arveelabs.com
Vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	BIGSHARE SERVICES PRIVATE LIMITED 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400059 Tel: +91 22 62638200





<b>h) Foreign Venture Capital Funds</b>	0	0	0	0	0	0	0	0	0
<b>i) Others (specify)</b>	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
<b>2. Non Institutions</b>	0								
<b>a) Bodies Corp.</b>	102000	0	102000	1.85	110000		110000	2.00	0.15
(i) Indian									
(ii) Overseas									
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital uptoRs. 1 lakh	134000	0	134000	2.43	126000	0	126000	2.29	-0.15
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1212000	0	1212000	22.00	1212000	0	1212000	22.00	0.00
<b>c) Others (NRIS )</b>	4000	0	4000	0.07	4000	0	4000	0.07	0.00
HUF	8000	0	8000	0.15	8000	0	8000	0.15	0
Sub-total(B)(2)	1460000	0	1460000	26.5	1460000	0	1460000	26.50	0

Total Public Shareholding (B)=(B)(1)+ (B)(2)	1460000	0	1460000	26.5	1460000	0	1460000	26.50	0
C. Shares held by Custodian for GDRs &ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	5510000	0	5510000	100	5510000	0	5510000	100	

*ii.Shareholding of Promoters*

Sr. No.	Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbe red to total shares	
1	Bharatbhai R. Chokshi	685000	12.43	0	685000	12.43	0	0
2	Saumilbhai B. Chokshi	669000	12.14	0	669000	12.14	0	0
3	Shalinbhai B. Chokshi	669000	12.14	0	669000	12.14	0	0
4	Shalin S. Patel	1690000	30.67	0	1690000	30.67	0	0

5	Sudhakar C. Patel	331000	6.01	0	331000	6.01	0	0
6	Sudhakar C. Patel, HUF	1000	0.02	0	1000	0.02	0	0
7	Shalin S. Patel, huf	1000	0.02	0	1000	0.02	0	0
8	Khushbu S. Patel	1000	0.02	0	1000	0.02	0	0
9	Foram S. Chokshi	1000	0.02	0	1000	0.02	0	0
10	Kavita S. Chokshi	1000	0.02	0	1000	0.02	0	0
11	Chandrabalben S. Patel	1000	0.02	0	1000	0.02	0	0

**iii. Change in Promoters' Shareholding (please specify, if there is no change )**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Bharatbhai R. Chokshi	685000	12.43	685000	12.43
2	Saumilbhai B. Chokshi	669000	12.14	669000	12.14
3	Shalinbhai B. Chokshi	669000	12.14	669000	12.14
4	Shalin S. Patel	1690000	30.67	1690000	30.67
5	Sudhakar C. Patel	331000	6.01	331000	6.01
6	Sudhakar C. Patel, HUF	1000	0.02	1000	0.02
7	Shalin S. Patel, huf	1000	0.02	1000	0.02
8	Khushbu S. Patel	1000	0.02	1000	0.02
9	Foram S. Chokshi	1000	0.02	1000	0.02

10	Kavita S. Chokshi	1000	0.02	1000	0.02
11	Chandrabalben S. Patel	1000	0.02	1000	0.02

**(iv) Shareholding pattern of top ten shareholders ( other than Promoters and Directors )**

SR NO	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (30/03/2019)/ end of the year (31/03/2020)	% total Shares of the Company				No of Shares	% total Shares of the company
1	GITABEN D PATEL	550000	9.98	30-Mar-2019	0		550000	9.98
		550000	9.98	31-Mar-2020	0		550000	9.98
2	JASHBHAI CHHOTABHAI PATEL	264000	4.79	30-Mar-2019	0		264000	4.79
		264000	4.79	31-Mar-2020	0		264000	4.79
3	MADHUBEN JASHBHAI PATEL	204000	3.70	30-Mar-2019	0		204000	3.70
		204000	3.70	31-Mar-2020	0		204000	3.70
4	PRANAV M PATEL	194000	3.52	30-Mar-2019	0		194000	3.52
		194000	3.52	31-Mar-2020	0		194000	3.52
5	WEALTH FIRST PORTFOLIO MANAGERS	102000	1.85	30-Mar-2019	0		102000	1.85
			1.89	07-Jun-2019	2000	Buy	104000	1.89
			1.92	26-Jul-2019	2000	Buy	106000	1.92
			1.96	02-Aug-2019	2000	Buy	108000	1.96
			2.00	20-Mar-2020	2000	Buy	110000	2.00
			110000	2.00	31-Mar-2020	0		110000
6	PATEL ALPA JAYANTILAL	8000	0.15	30-Mar-2019	0		8000	0.15
		8000	0.15	31-Mar-2020	0		8000	0.15
7	PATEL ASHI HARSHAD	6000	0.11	30-Mar-2019	0		6000	0.11
		6000	0.11	31-Mar-2020	0		6000	0.11
8	DILIP BABULAL SHAH	6000	0.11	30-Mar-2019	0		6000	0.11
		6000	0.11	31-Mar-2020	0		6000	0.11
9	POOJA GAUTAM SHAH	4000	0.07	30-Mar-2019	0		4000	0.07
		4000	0.07	31-Mar-2020	0		4000	0.07
10	RITABEN HARSHADBHAI PATEL	4000	0.07	30-Mar-2019	0		4000	0.07
		4000	0.07	31-Mar-2020	0		4000	0.07
11	SURESH KUMAR RAI	4000	0.07	30-Mar-2019	0		4000	0.07



		4000	0.07	31-Mar-2020	0		4000	0.07
12	SHAH DILIP B	4000	0.07	30-Mar-2019	0		4000	0.07
		4000	0.07	31-Mar-2020	0		4000	0.07

**(v) Shareholding of Directors and Key Managerial personnel (other than Promoters)**

Sl. no	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shalin Bharat Chokshi	669000	16.52	669000	12.14
2	Saumil Bharatbhai Chokshi	669000	16.52	669000	12.14
3	Shalin Sudhakarbhai Patel	1690000	41.73	1690000	30.67
4	Chandrakala Ashok Bhatt	0	0	0	0
5	Vishal Nitin Mehta	0	0	0	0
6	Amishkumar Shah	0	0	0	0
7	Saurin Gandhi	2000	0.04	2000	0.04
8	Raina Singh Chauhan	0	0	0	0

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	117478048	1,12,50,000	0	12,87,28,048
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total(i+ii+iii)	117478048	1,12,50,000	0	12,87,28,048

Change in Indebtedness during the financial year				
- Addition	0	0	0	0
- (Reduction)	(90060613)	0	0	(90060613)
Net Change	(90060613)	0	0	(90060613)
Indebtedness at the end of the financial year				
i) Principal Amount	27417435	1,12,50,000	0	38667435
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	27417435	1,12,50,000	0	38667435

## **VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sr. No.	Particulars of Remuneration	Name of Managing Director	Name of Whole Time Director	Total Amount in Rupees
		Shalin S. Patel	Shalin B. Chokshi	
1	Gross salary			
a	Salary as per provisions contained in Section 17 (1) of the Income-tax Act,1961	12,00,000	12,00,,000	24,00,000
b	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
c	Profits in lieu of salary under Section 17 (3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0

4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	39,081	39,081	78,162
	Total(A)	12,39,081	12,39,081	24,78,162
	Ceiling as per the Act	5% of Net Profits or as per Schedule III of the Companies Act, 2013	5% of Net Profits or as per Schedule III of the Companies Act, 2013	

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of the Director/Manager	Total Amount
	<b>Independent Directors</b>		/
	Fee for attending Board / Committee Meetings		/
	Commission		/
	Others – Please specify		
	Total B ( 1 )		
	<b>Other Non Executive Directors</b>		<b>NIL</b>
	Fee for attending Board / Committee Meetings		/
	Commission		/
	Others – Reimbursement of Expenses		
	Total B ( 2 )		

	Total B ( 1 + 2 )		
	<u>Overall Ceilings as per Act</u>		

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Sl. no.	Particulars of Remuneration	<u>Key Managerial Personnel</u>		
		Raina Chauhan Company Secretary	Singh - Saurin Gandhi Chief Financial Officer	<b>Total</b>
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	90,000	8,20,000	9,10,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
<u>2</u>	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit -others, specify...			
5	Others, please specify Leave Encashment	0	15,432	15,432
	Total	90,000	8,35,432	9,25,432

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment / Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B.Directors</b>					
Penalty					
Punishment			<b>NIL</b>		
Compounding					
<b>C.Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up at shop floor level to redress complaints received regularly and are monitored by women line supervisors who directly report to the Chairman. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2019-20 and hence no complaint is outstanding as on 31.03.2020 for redressal.

#### **Particulars of Employees:**

The Particulars of Employees required to be given pursuant to Section 197 of the Companies Act 2013 is provided in Annexure B.

**Material Changes and Commitments & Changes, if any affecting the financial Position between financial year end of the Company and date of Report:**

There are no material changes and commitments, if any, affecting the financial position of the Company between the financial years end of the Company and date of the report.

**Non Disqualification of Directors:**

A Certificate obtained from Practising Company Secretary regarding non disqualification of Directors of the Company is annexed and marked as Annexure IV.

**Acknowledgement**

Your Directors express their gratitude for the continued support, co-operation, and assistance received by the Company from various Central and State Government Department, Bankers and valued customers of the company.

FOR & ON BEHALF OF THE BOARD OF  
ARVEE LABORATORIES ( INDIA ) LIMITED

Place: Ahmedabad

Dated: 24<sup>TH</sup> August, 2020

Sd/-

CHAIRMAN CUM MANAGING DIRECTOR

Shalin Sudharkarbhair Patel

(DIN: 01779902)

**Annexure A**

**FORM NO. AOC – 2**

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

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

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details of transactions</b>
a)	Name(s) of the related party & nature of relationship	No transactions / contracts were entered which were not at arm's length.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any :	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

**2. Details of material contracts or arrangements or transactions at Arm's length basis.**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details of transactions</b>
a)	Name(s) of the related party & nature of relationship	The Company has entered into transactions for Purchase of Goods from B Chokshi Chem Private Limited. Mr. Shalin Bharat Chokshi and Mr. Saumil Bharat Chokshi are interested directly or indirectly as Director / Shareholder, if any.
b)	Nature of contracts	Transaction for purchase of goods and sale of goods
c)	Duration of the contracts	Not Applicable

d)	Salient terms of the contracts or arrangements or transaction including the value, if any :	To supply / purchase the goods / fixed assets required on need basis at arm's length. The price is determined as per the prevailing market rate. The value of the transactions entered with the related parties is provided in the note no. 29 of the Balance Sheet of the Company.
e)	Date of approval by the Board, if any :	27 <sup>th</sup> May, 2019
f)	Amount paid as advances, if any :	Nil

FOR & ON BEHALF OF THE BOARD OF  
ARVEE LABORATORIES ( INDIA ) LIMITED

Place: Ahmedabad

Dated: 24<sup>th</sup> August, 2020

Sd/-

CHAIRMAN CUM MANAGING DIRECTOR  
Shalin Sudharkarbhair Patel

(DIN: 01779902)



**ANNEXURE B**

**Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

**A. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-20 are as follows:**

<b>Sr. No.</b>	<b>Directors</b>	<b>Remuneration (₹ in Lakhs)</b>	<b>Median Remuneration (₹ in Lakhs)</b>	<b>Ratio</b>
1.	Shalin Sudhakarbhai Patel	12.39	1.36	9.11 : 1
2.	Shalin Bharatbhai Chokshi	12.39	1.36	9.11 : 1
3.	Saumil Bharatbhai Chokshi	--	--	--

**B. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20 are as follows:**

<b>Name of the Directors, Chief Financial Officer, Chief Executive Officer, Company Secretary, Manager</b>	<b>Designation</b>	<b>Percentage increase in remuneration</b>
Shalin Sudhakarbhai Patel	Managing Director	0.00
Shalin Bharatbhai Chokshi	Whole Time Director	0.00
Saumil Bharatbhai Chokshi	Director	Not Applicable as has ceased during the year.
Mr. Saurin Gandhi	Chief Financial Officer	Not Applicable *
Ms. Raina Singh Chauhan *	Company Secretary	Not Applicable *

\* Appointed during the 2018 – 2019 year and hence % increase in remuneration is not applicable as during the previous year not employed in the respective capacity for full year.

**C. The percentage increase in the median remuneration of employees in the financial year 2019-20:**

**(Amount in Rs)**

	2019-20	2018-19	Increase (%)
Median Remuneration of Employees	1,36,400	1,02,000	33.72%

D. There were **82 Employees** on the rolls of company as on 31<sup>st</sup> March, 2020.

E. **Comparison of average Percentile increase in salary of employees other than the managerial personnel and the percentage increase in the remuneration paid to managerial personnel:**

(Amount in Rs)

	2019-20	2018-19	Increase (%)
<b>Average salary of all employees (other than Managerial Personnel) calculated on per month basis</b>	15,581	11,110	40
<b>Managerial Personnel:</b>			
Shalin Sudhakarbhai Patel	1,03,256.00	1,03,240	0.01
Shalin Bharatbhai Chokshi	1,03,256.00	1,03,240	0.01
Saurin Gandhi	69,170	Appointed during the 2018 – 2019 year and hence not applicable	Not Applicable *
Raina Singh	7,500	Appointed during the 2018 – 2019 year and hence not applicable	Not Applicable *

\* Appointed during the 2018 – 2019 year and hence % increase in remuneration is not applicable as during the previous year not employed in the respective capacity for full year.

F. **The key parameters for any variable component of remuneration availed by the directors;**

There are no variable components in remuneration package availed by the directors.

**G. Affirmation that the Remuneration is as per the Remuneration Policy of the Company:**

It is hereby affirmed that the remuneration paid to the Directors, Key Managerial personnel and Senior Management is as per the Remuneration Policy.

**H. Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

None of the employees of the company employed throughout the financial year 2019-20 and were paid remuneration in excess of the limits prescribed. i.e. Rs. 1.02 Crores per annum.

None of the employees employed for a part of the financial year 2019-20 at a rate which, in aggregate, was in excess of Rs. 8.50 Lacs per month.

None of the employees were employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

**For and on behalf of Board of Directors**

**Date: 24<sup>th</sup> August, 2020**

**Shalin S. Patel**

**Place: Ahmedabad**

**Chairman & Managing Director**

## **ANNEXURE I**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Listing Agreement, as amended from time to time. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

### **CONSTITUTION OF THE COMMITTEE**

The Board of Directors of the Company (Board) constituted the committee to be known as the Nomination and Remuneration Committee consisting of three non-executive directors out of which two shall be the Independent Directors. The Chairman of the Committee shall be an Independent Director.

### **OBJECTIVE AND PURPOSE OF THE POLICY**

The objective of the policy is to ensure that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### **ROLE OF THE COMMITTEE:**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

## **APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/her appointment, as per Company's Policy.

A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.

The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

### **TERM/TENURE**

#### **Managing Director/Whole Time Director**

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

#### **Independent Director:**

An Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### **Evaluation**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

### **REMOVAL**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

### **RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SENIOR MANAGEMENT PERSONNEL**

Remuneration to Managing Director/Whole Time Director:

The Remuneration/Commission etc. to be paid to Managing Director/Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, assist may consider appropriate with regard to remuneration to Managing Director/Whole-time Directors.

### **Remuneration to Non-Executive /Independent Director:**

The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

All the remuneration of the Non-Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

Any remuneration paid to Non-Executive/Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

(i) The Services are rendered by such Director in his capacity as the professional; and (ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

### **Remuneration to Key Managerial Personnel and Senior Management:**

The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive any, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

The Committee for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

### **IMPLEMENTATION**

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate. The Committee may Delegate any of its powers to one or more of its members.

## Annexure II

### Form No. MR-3 for the financial year ended on 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Arvee Laboratories ( India ) Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Arvee Laboratories ( India ) Limited (hereinafter called the company).

Based on my verification of the Arvee Laboratories ( India ) Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2019 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made there under
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-



- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements ) Regulations 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India ( Issue and Listing of Debt Securities ) Regulations, 2008 ;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India ( Delisting of Equity Shares ) Regulations, 2009
- (h) The Securities and Exchange Board of India ( Buy Back of Securities ) Regulations, 1998

And in general, the Company has systems, process and procedure for the compliance of Other Laws Applicable to the Company.

1. Income Tax Act, 1961
2. Goods and Service Tax Act, 2017
3. Employees Provident Fund Act
4. Employees State Insurance Act, 1948
5. Indian Contract Act, 1872
6. Negotiable Instruments Act, 1881
7. Payment of Gratuity Act, 1972
8. Payment of Bonus Act, 1965

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, standards etc. mentioned above. The delay, if any, in the compliance of listing regulations were complied with by making necessary submission.

I further report that:

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

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Public Issue / Rights/Preferential issue of Shares/debentures/ sweat equity of the Company.
- (ii) Redemption/buy-back of securities.
- (iii) Merger/ amalgamation/ reconstruction etc.
- (iv) Foreign technical collaborations.
- (v) Approval under Section 180 of the Companies Act, 2013.

For, **JALAN ALKESH & ASSOCIATES**  
**COMPANY SECRETARIES**

Date : 24<sup>th</sup> August, 2020  
Place : Ahmedabad

Sd/-  
**ALKESH JALAN**  
**PROPRIETOR**  
**FCS : 10620**  
**Cop No. 4580**  
**F010620B000607810**

*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.*

**‘Annexure A’**

To,  
The Members of  
Arvee Laboratories ( India ) Limited  
Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriated to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

	<b>For, Jalan Alkesh &amp; Associates</b>
	<b>Company Secretaries</b>
<b>Place: Ahmedabad</b>	Sd/-  <b>Alkesh Jalan</b>
<b>Date: 24/08/2020</b>	<b>(Proprietor)</b>
	<b>Membership No. – 10620</b>  <b>Firm Registration No. - 4580</b>

## **Annexure III MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Industry Structure and developments.

The Chemical industry in India provides several building blocks and raw materials for many industries, including textiles, paper, paints, soap and detergents, pharmaceuticals, agrochemicals etc. The Chemical industry (including fertilizers and pharmaceuticals) in India stands at USD 178 Bn as of 2019 which is expected to reach USD 304 Bn by 2024-25 at an annual growth rate of 9.3%. The global chemical industry is estimated to be worth USD 4.7 Tn. The Chemical industry in India contributes 3.4% to the global chemical industry. India's Chemical Industry ranks at the 6<sup>th</sup> position in the world and 4<sup>th</sup> position in Asia in terms of size. A large part of the growing Chemical industry is currently served through manufacturing done outside the country. India ranks 17<sup>th</sup> in the world export of chemicals (excluding pharmaceutical products) and ranks 7<sup>th</sup> in the world imports of chemicals (excluding pharmaceuticals products). The value additions in the petrochemicals chain offer immense possibilities and cater to the needs of textiles and clothing, agriculture, packaging, infrastructure, healthcare, furniture, automobiles, information technology, power, electronics and telecommunication, irrigation, drinking water, construction and a variety of other articles of daily and specialized usage amidst other emerging areas. The Indian market offers a large population and a strong export demand. In recent times, there has been a global shift towards Asia as the world's chemical manufacturing hub. Rise in GDP and purchasing power generates huge growth potential for the domestic market. Availability of a large pool of skilled science professionals. India offers world class engineering facilities and strong R&D capabilities.

The per capita consumption of chemicals is lower in India, compared to western countries, therefore presenting immense scope for new investments.

### **STATISTICS**

The Chemical industry in India is expected to grow at 9.3% per annum to reach USD 304 Bn by FY 2025. The growth is expected to be driven by rising demand in end-use segments for Specialty Chemicals and for petrochemical intermediates. In 2017-18, the Chemical and Chemical Products industry accounted for 1.69% of the GVA, compared to 1.07% in 2016-17. The production of major chemicals and petrochemicals in 2019-20 (upto September) was 13,871 thousand metric tonnes (MT). The production of major chemicals in 2019-20 (upto September) was 5,817 thousand metric tonnes (MT). Alkali chemicals account for 71% of the total production of major chemicals in 2019-20 (upto September 2019). The production of Basic Major Petrochemicals in 2019-20 (upto September) was 5,817 thousand metric tonnes (MT). Polymers account for approximately 59% of the total production of basic major petrochemicals in 2019-20 (upto September). The value of chemicals and chemical products exported for the period 2019-20 (upto September) stood at USD 148.3 Bn. The share of export of Chemicals and Petrochemicals is 12.5% of the total national export in 2019-20 (upto September).

#### **Major Segments of the Indian Chemical Industry**

1. Base chemicals: Petrochemicals, man—made fibers, industrial gases, fertilizers, chlor - alkali and other organic and inorganic chemicals.
2. Specialty Chemicals: Dyes and pigments, leather chemicals, construction Chemicals, personal care ingredients and other specialty chemicals.

3. Pharmaceuticals: Active Pharmaceutical ingredients (API's) and formulations
4. Agrochemicals: Insecticides, herbicides, fungicides, and other crop protection Chemicals.
5. Biotechnology: Bio—pharma, bio—agri, bio—services and bio—industrial products.

## Opportunities and Threats Indian Advantage

FDI POLICY	100% FDI is allowed under the automatic route in the Chemical industry, except in the case of hazardous chemicals.
SECTOR POLICY	The Government of India has conceptualized (PETROLEUM, CHEMICALS AND PETROCHEMICAL INVESTMENT REGIONS) PCPIRs as clusters that provide investors with a transparent and investment friendly policy and facility regime. The projected investment on full realisation of PCPIRs is USD 1091.4 Bn. As of November 2018, investments worth USD 261.8 Bn have been and committed and more than 300,000 persons have been employed in direct and indirect activities related to PCPIRs.
<b>FINANCIAL SUPPORT</b>	
R&D INCENTIVES FOR INDUSTRY AND PRIVATE SPONSORED RESEARCH	A weighted tax deduction is given under section 35 (2AA) of the Income Tax Act. Weighted deduction of 200% is granted to assess for any sums paid to a national laboratory, university or institute of technology, or specified people with a specific direction and that the said sum is used for scientific research within a program approved by the prescribed authority.
MANUFACTURERS WITH AN IN-STATE INCENTIVES	Apart from the above, each state in India offers additional incentives for industrial projects. Incentives are in areas like subsidized land cost and relaxation in stamp duty exemption on sale/lease of land, power tariff incentives, concessional rate of interest on loans, investment subsidies/tax incentives, backward areas subsidies, special incentive packages for mega projects etc.

HOUSE R&D CENTRE	Section 35 (2AB) of the Income Tax Act, 1961 provides weighted tax deduction of 150% of the expenditure incurred by a specified company, on scientific research in the in-house R&D centres as approved by the prescribed authority. This does not include expenditure on the cost of any land or building. The weighted tax deductions of 150% are effective till 31 <sup>st</sup> March 2020. Consequent to that, the weighted tax deductions will be 100%.
EXPORT INCENTIVES	Export promotion capital goods scheme Duty drawback scheme Merchandise Export from India Scheme
AREA-BASED INCENTIVES	Incentives for units in Special Economic Zones (SEZ)/National Investment and Manufacturing Zones (NIMZ) as specified in respective Acts or setting up projects in special areas like the North-east, Jammu & Kashmir, Himachal Pradesh & Uttarakhand.
KEY POINTS IN THE UNION BUDGET 2020-21	The total allocation towards the Department Chemicals and Petrochemicals is USD 28.97 Mn. The total allocation towards the Central Institute of Plastic Engineering and Technology stands at USD 13.03 Mn. The allocation towards the Promotion of Petrochemicals stands at USD 7.13 Mn.
INVESTMENT OPPORTUNITIES  FINE & SPECIALTY CHEMICALS	India produces many fine and speciality chemicals, which have very specific uses and are essential for increasing industrial production. These special chemicals find wide usage as food additives and pigments, polymer additives, anti-oxidants in the rubber industry, etc. Indian specialty chemicals industry is expected to account for 5% of Global Specialty Chemicals by 2020.

### **Demand Driver — Domestic and International**

- The Indian chemicals industry is projected to reach \$304 bn by 2025
- Indian ranks 14<sup>th</sup> in export and 8<sup>th</sup> in import of chemicals (Excluding Pharmaceuticals products) globally
- Demand of chemical products is expected to grow at approximately 9% p.a. over the next 5 years
- Indian chemical industry employs more than 2 million people
- Total production of major chemicals and petrochemicals stood at 27,858 MT during 2018-19, a growth of 4.18% over 2017-18. Alkali chemicals had the largest share in the Chemical industry in India with approximately 69% share in the total production. Production of polymers accounts for around 61% of the total production of basic major petrochemicals.

- The petrochemical demand is expected to grow at 7.5% CAGR from FY 2019-23, with polymer demand growing at 8%
- The agrochemicals market in India is expected to grow at 8% CAGR reaching \$3.7 bn by FY22 and \$4.7 bn by FY25.
- The specialty chemicals constitute 22% of total chemicals and petrochemicals market in India. As of FY18, the total market size is around \$35 bn. The demand for speciality chemicals is expected to grow at 12% CAGR from FY19-22.

### **Growth Driver**

- Rising disposable income, median age of population, urbanisation and growing penetration and demand from rural markets
- Shift in production and consumption towards Asian and Southeast Asian countries in all sectors leading to increasing demand for Chemicals and Petrochemicals
- Shift in consumer preferences towards a healthier lifestyle and environment-friendly products
- Opportunity to produce \$111 Bn worth of chemical products by 2023 for domestic requirements

### **Threats:**

### **IMPACT OF THE COVID-19 PANDEMIC ON THE OPERATIONS AND BUSINESS:**

- In view of the lockdown due to COVID-19 pandemic across the country from end March 2020 the manufacturing facilities of the Company were working partially after the first week of April 2020. As the Company is in the manufacture and sale of pharmaceuticals intermediaries after discussing with authorities and sorting out the bottlenecks the Company gradually ramped up its operations over the next several days till April end and despite manpower issues and demand made efforts to achieve optimum capacity production in May 2020. The offices and Technical Centre have been closed through April and May and those employees have been working from home wherever possible. However there was no significant impact on the business of the Company for the year ended March 31 2020. The Company is ensuring compliance with the directives issued by the Central Government State Governments and local government. All the manufacturing facilities have been sanitized so that our employees are safe and secure. All safety protocols are adhered to very stringently.
- The present economic position serves as a threat to many chemical companies both worldwide and on the regional level.
- In general labour avoid working in chemical plants. Hence company may have to face labour problem.
- Environmental Controls pose a major problem to the industry.
- Deals in explosive chemicals so utmost care is required to be taken to avoid accidents

### **Risks and Concerns**

Your Company had put a risk management framework in place post a comprehensive review of its risk management process. Your Company takes a fresh look at the risk management framework through our Audit Committee at least once in a year. The review involved understanding the existing risk management initiatives and assessment of risks in the businesses as the relative control measures and arriving at the desired counter measures keeping in mind the risk appetite of the organization.

The audit Committee has periodically reviewed the risks in the business and recommended appropriate risk mitigating actions.

The business of the Company is likely to be affected by various internal and external risks enumerated as under:

- Our success depends largely upon the services of our Promoter, Directors and other key managerial personnel and our ability to attract and retain them.
- The prices we are able to obtain for the products that we trade depend largely on prevailing market prices.
- We face intense competition in our businesses, which may limit our growth and prospects.
- Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.
- Global recession and market conditions could cause our business to suffer.
- Natural calamities and changing weather conditions caused as a result of global warming could have a negative impact on the Indian economy and consequently impact our business and profitability.
- Tax rates applicable to Our Company may increase and may have an adverse impact on our business.
- Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.

As a responsible employer, to ensure occupational safety and employment standards, your Company maintains strict safety and quality control programs to monitor and control these operational risks.

#### Internal Control System and their adequacy

The Company maintains adequate internal control systems, which provides, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of company's assets.

Internal Controls are adequately supported by internal audit and periodical review of by the management. The audit committee meets periodically to review with the management and statutory auditors, financial statements. The Audit Committee also meets with the internal auditors to review adequacy /scope of internal audit function, significant findings and follow up thereon and finding of abnormal nature.

#### Discussion on financial performance with respect to operational performance.

During the year company has reported total income of Rs.5525.58 lacs as against 4800.92 lacs. Net Profit of the Company during the Current year stand at Rs.108.91lacs as against profit of Rs. 223.83 lacs in the previous year.

Material developments in human resources/ Industrial Relations front, including number of people employed.

Relations with the employees of the Company at various levels remained harmonial during the year under the review. The Company is making its best efforts to retain and attract talented employees. During the year under the review, the Company has complied with all legislative provisions of labour laws. The number of employees of the company as of 31st March, 2019 was 74.

#### Other Disclosures:

- a. Basis of related party transaction:



During the year under the review, related party transactions, if any, are disclosed in the Balance Sheet. Transactions are entered at arm's length.

b. Disclosure of accounting treatments:

The Company has followed all relevant Accounting Standards while preparing the financial Statements.

c. Board Disclosures - Risk Management:

The Company has developed comprehensive risk management policy and same is reviewed by the Audit Committee, which in turn, informs the Board about the risk assessment and minimization procedures. Major risks identified for the Company by the management are Currency fluctuation, Compliance, Regulatory changes, Manufacturing & Supply, Litigation, Information Technology and new capital investments return. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize. Since the risk control frame work is new to Indian Corporate Culture, it is being strengthened on continuous basis using the outside professional help.

d. Proceeds from public issues, right issues, preferential issues etc:

The Company came up with Public Issue during the year 2017 – 2018 of 14,60,000 Equity Shares of face value of Rs. 10/- each fully Paid Up of Arvee Laboratories (India) Limited for Cash at a Price of Rs. 61/- Per Equity Share (Including A Share Premium Of Rs. 51/- Per Equity Share Aggregating Rs. 890.60 Lakhs. The issue proceeds was applied for the purpose stated in the Prospectus.

No issue was made during the year.

Besides above, there was no instance of non-compliance of any matter related to the capital markets during the last three years.

[Details of significant changes in key Financial Ratios & Return on Net worth](#)

Pursuant to amendment made in schedule V to the Listing Regulations, details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in return on net worth of the Company (on standalone basis) including explanations therefor are given below:

Particulars	FY ended 31 <sup>st</sup> March, 2020	FY ended 31 <sup>st</sup> March, 2019	Changes Between CY and PY	Explanation of changes exceeding 25% in comparison to previous year
(i) Debtors Turnover	6.21%	4.61%	1.60%	Change less than 25% hence reason for

				Change not required.
(ii) Inventory Turnover	53 Days	31 Days	-22 DAYS	Since the Company has adopted the policy of having higher inventory the change has occurred
(iii) Interest Coverage Ratio	4.13	2.56	1.57	Since the earnings has gone donw in comparision to the interest payable, the interest coverage ratio is higher. It is pertinent to note that a sizeable portion is towards Unsecured loan.
(iv) Current Ratio	1.44	1.28	0.16	Change less than 25% hence reason for change not required.
(v) Debt Equity Ratio	0.24	0.86	0.62	The Company has reduced its debt and therefore the change is favourable.
(vi) Operating Profit Margin (%)	8.91%	7.56%	1.35%	Change less than 25% hence reason for change not required.
(vii) Net Profit Margin (%)	4.87%	4.10%	0.77%	Change less than 25% hence reason for change not required.
(viii) Return on Net worth (%)	40.42%	41.07%	-0.65%	Change less than 25% hence reason for change not required.

#### Cautionary Statement

The above Management Discussion and Analysis contains certain forward looking statements within the meaning of applicable security laws and regulations. These

pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time on behalf of the Company.

By Order of the Board  
For, Arvee Laboratories ( India ) Limited

Date: 24<sup>th</sup> August, 2020  
Place: Ahmedabad

Sd/-  
Shalin S. Patel  
Chairman and Managing Director

**Certificate of Non-Disqualification of Directors**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (listing obligations and Requirements) Regulations, 2015)

To,  
The Members of  
**Arvee Laboratories ( India ) Limited**  
403, Entice, Nr. Jayantilal Park BRTS,  
Iscon Bopal Road, Ambli, Ahmedabad 380058

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Arvee Laboratories ( India ) Limited having CIN: L24231GJ2012PLC068778 and having registered office at 403, Entice, Nr. Jayantilal Park BRTS, Iscon Bopal Road, Ambli, Ahmedabad 380058 (hereinafter referred to as 'the company'), produced before us by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para-C clause (10) (i) of the SEBI (listing obligations and Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the Portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers we hereby certify that none of the Directors on the Board of the company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Shalin Bharatbhai Chokshi	00191903	27/01/2012
2.	Shalin Sudhakarbhai Patel	01779902	01/04/2014
3.	Vishal Nitin Mehta	07977497	04/12/2017
4.	Chandrakala Ashok Bhatt	07977517	04/12/2017

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Jalan Alkesh & Associates  
Company Secretaries

Alkesh Jalan

Place: Ahmedabad  
Date: 24/08/2020

Proprietor  
FCS No.: 10620  
C.P. No.: 4580  
UDIN : F010620B000607801