



29th ANNUAL REPORT

2019-2020

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BOARD OF DIRECTORS	
Shri. S.S.Toshniwal	<i>Non-Executive Director & Chairman</i>
Shri. Atul Maheshwari	<i>Managing Director</i>
Smt. Sangita Maheshwari	<i>Whole Time Director & C.F.O.</i>
Shri. Pramod Kalani	<i>Non-Executive, Independent Director</i>
Shri. G. K. Sarda	<i>Non-Executive, Independent Director</i>
Shri. Mahendra Singhi Omprakash	<i>Non-Executive, Independent Director</i>

AUDITORS

C A S & Co. Chartered Accountants

A-703, Rajeshri Accord, Telly Cross, Off S. N. Road, Andheri (East), Mumbai - 400 069

BANKERS

HDFC Bank Ltd.

Ground Floor, Imperial Mahal, Khodad Circle,
Dadar TT, Mumbai- 400014

REGISTERED OFFICE & WORKS

Survey No. 6, Village Poicha (Rania),
Savli, Dist. Vadodara, Gujarat - 391780

OTHER INFORMATION

ISIN No. - INE058I01013

BSE Scrip Code - 524202

Company Identification No: L15201GJ1991PLC015186

CORPORATE OFFICE

Unit No. G-02, 'A' Wing, Ground Floor, Navbharat Estates,
Zakaria Bunder Road, Sewri (West), Mumbai - 400 015

REGISTRAR & SHARE TRANSFER AGENT

Big Share Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059

SECRETARIAL AUDITOR

Jajodia And Associates

Office No. 30, Laxmi Niwas, 2nd Panjrapole Lane, C.P. Tank, Mumbai 400 004

INTERNAL AUDITOR

AMS & CO.

304, Rainbow Chambers, S.V. Road, Near MTNL Tel. Exchange, Kandivali (West), Mumbai-400 067

COMPANY SECRETARY

Mr. Ritesh Pandey

Company Secretary & Compliance Officer w.e.f

10th January, 2020

Lactose (India) Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Lactose (India) Limited will be held on Wednesday, 09th September, 2020 at 11.00 a.m. through electronic mode [video conferencing ("VC") or any other audio visual means ("OAVM")] to transact the following business:

ORDINARY BUSINESS

- To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020, together with the Reports of the Board of Directors and Auditors thereon;
- To appoint a Director in place of Mr. Shyamsunder Toshniwal (DIN: 01223515), who retires by rotation and, being eligible, offers himself for re-appointment;

SPECIAL BUSINESS

- Issue, Offer & Allot 24,00,000 Convertible Warrants on preferential basis:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 23, 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act 2013, read with the Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the Rule 14 of the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2018, and all other applicable provisions, if any, as amended from time to time (including any statutory modification or re-enactment thereof, for the time being in force) and in accordance with the Securities and Exchange Board of India (Issue of capital and disclosure requirements) Regulations, 2018, as amended from time to time (the "ICDR regulations") and Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended from time to time (the "Takeover regulations") and Securities and Exchange Board of India (Listing obligation and disclosure requirements) Regulations 2015, as amended (the "LODR Regulations") and other rules, regulations, guidelines notifications and circulars issued there under from time to time by the Government of India, the Reserve Bank of India, Securities and Exchange Board of India (SEBI) and any other guidelines and clarifications issued by any other competent authority whether in India or abroad, from time to time, to the extent applicable including the enabling provisions of the Memorandum and Articles of Association of the company, and subject to such approvals, concerns, permissions and sanctions as may be necessary or required, from regulatory or other appropriate authorities, including but not limited to SEBI and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the company (hereinafter referred to as "The Board" which term shall be deemed to include any exiting committees(s)/to be constituted by the Board to exercise its powers, including the powers conferred by this resolution, subject to any other alterations, modifications, conditions, corrections and changes and variations that may be decided by the Board absolute discretion, the consent of the members of the company be and is hereby accorded to the Board to issue, and allot 24,00,000 convertible warrants, on preferential basis convertible into 24,00,000 equity shares, (one equity share for one warrant issued) of the company of face value of Rs. 10/- each at the price of Rs 21/- each (including premium of Rs. 11/-) to below mentioned proposed allottee(s), in such manner that as the Board may think fit in its absolute discretion.

List of Proposed Allottee(s):

Name of the Proposed Allottee(s)	Address	Class or classes of person(s)	Number of Convertible Warrants to be allotted
Mr. Shyamsunder Toshniwal	83, Goolrukh, 10th Floor, Worli Sea Face, Worli, Mumbai 400025	Promoter	4,12,500
Mr. Atul Maheshwari	1302, Spring Tower, ICC G.D. Ambekar Marg, Next to Wadala Telephone Exchange, Dadar (East), Mumbai – 400014	Promoter	4,12,500
Mrs. Sangita Maheshwari	1302, Spring Tower, ICC G.D. Ambekar Marg, Next to Wadala Telephone Exchange, Dadar (East), Mumbai – 400014	Promoter	4,12,500
Mrs. Madhubala Toshniwal	83, Goolrukh, 10th Floor, Worli Sea Face, Worli, Mumbai 400025	Promoter	4,12,500
SST Private Family Trust	83, Goolrukh, 10th Floor, Worli Sea Face, Worli, Mumbai 400025	Promoter group	7,50,000
Total			24,00,000

RESOLVED FURTHER THAT the equity shares allotted on exercise of the Convertible warrants shall upon conversion rank pari passu with the existing shares of the company in such form and manner and upon such terms and conditions as may be determined by the Board in accordance with the ICDR Regulations or other applicable laws as may be prevailing at the time.

RESOLVED FURTHER THAT in accordance with the provisions of Chapter V and regulation 161, ICDR Regulations, the relevant date for the purpose of calculating the price for the issue of warrants is 10th August, 2020.

RESOLVED FURTHER THAT the said Warrants shall be issued and allotted by the Company to the allottee(s) within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to following terms:

- The equity shares to be so allotted on exercise of the Equity Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall

rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company. The Warrants may be exercised into equity shares as aforesaid by the Warrant holder(s) at any time before the expiry of 18 months from the date of allotment of the Warrants.

2. A Warrant subscription price equivalent to 25% (i.e. the upfront amount) of the issue price of the Equity Shares will be payable at the time of subscription to the Warrants, as prescribed by Regulation 169 of the ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the Equity Shares. A Warrant exercise price equivalent to the 75% of the issue price of the Equity Shares shall be payable by the Warrant holder(s) at the time of exercising the Warrants.
3. The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.
4. In the event the Warrant holder(s) does not exercise the Warrants within 18 months from the date of allotment, the Warrants shall lapse and the amount paid shall stand forfeited by the Company.
5. In the event of the Company making a bonus issue by way of capitalization of its reserves, or a rights offer by way of issue of new Equity Shares, prior to allotment of Equity Shares resulting from the exercise of the Warrants, the issue price of the Equity Shares to be allotted against such Warrants shall be subject to appropriate adjustment, subject to the ICDR Regulations and other applicable law.
6. The Warrants and the Equity Shares allotted pursuant to exercise of such warrants shall be subject to a lock-in for such period as specified under Chapter V of ICDR Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the Warrant holder(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the shareholders of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Warrants and Equity Shares and listing thereof with the Stock Exchange as appropriate and utilisation of proceeds of the Equity Shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any

modification to the foregoing and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT Mr. Atul Maheshwari, Managing Director or Mrs. Sangita Maheshwari, Whole-time Director or Mr. Ritesh Pandey, Company Secretary of the Company, be and is hereby authorized to sign and submit the necessary application and forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution."

By Order of the Board

sd/-

Ritesh Pandey
(Company Secretary)

Date : 14th August, 2020

Place : Mumbai

Regd. Office:

Survey No. 6,
Village Poicha (Rania),
Savli, Vadodara,
Gujarat – 391780

NOTES TO NOTICE

- i. The Statement as required under Section 102 of the Companies Act, 2013 ("the Act") is annexed to the Notice.
- ii. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated 08th April 2020, General Circular No. 17/2020 dated 13th April 2020 and General Circular No. 20/2020 dated 05th May 2020 (collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 29th AGM of the Company is being convened and conducted through VC. The procedure for joining the AGM through VC/ OAVM is mentioned in this Notice
- iii. Since the AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. The Proxy Form as well as the Attendance Slip are therefore, not annexed to this Notice.
- iv. Members shall have the option to vote electronically ("e-voting") either before the AGM ("remote e-voting") or during the AGM.

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings ("SS-2"), Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the facility for remote e-voting and

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- e-voting in respect of the business to be transacted at the AGM is being provided by the Company through Central Depository Services (India) Limited ("CDSL"). Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting and e-voting during the AGM.
- v. The Company has appointed M/s Jajodia & Associates (Practising Company Secretary), as the scrutinizer for scrutinizing the entire e-voting process i.e. remote e-voting and e-voting during the AGM, to ensure that the process is carried out in a fair and transparent manner.
- vi. Members are permitted to join the AGM through VC/OAVM, 15 minutes before the scheduled time of commencement of AGM and during the AGM, by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a 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 any restrictions pertaining to joining the AGM on a first come first served basis. Institutional Investors who are Members of the Company, are encouraged to attend and vote at the AGM.
- vii. The attendance of the Members joining the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
- viii. Members attending the AGM through VC / OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the AGM through e-voting for all businesses specified in the Notice. The Members who have exercised their right to vote by remote e-voting may attend the AGM but cannot vote during the AGM.
- ix. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Member / Beneficial Owner list maintained by the depositories as on the cut off date i.e. Wednesday, 02nd September, 2020 ("cut-off date").
- x. A person who is not a Member as on Wednesday, 02nd September, 2020 should treat this Notice for information purposes only.
- xi. A person, whose name is recorded in the Register of Members / Beneficial Owners list maintained by the depositories as on Wednesday, 02nd September, 2020 only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
- xii. Register of Members and Share Transfer Books will remain closed from Wednesday, 02nd September, 2020 to Wednesday, 09th September, 2020 (both days inclusive).
- xiii. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote during the AGM.
- xiv. Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents. Further, with effect from 01st April 2019, requests for transfer of securities are not permitted unless the securities are held in a dematerialized form with a depository except in case of transmission or transposition of securities as per SEBI Listing Regulations. Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding at the earliest.
- xv. Members holding shares in dematerialized form are requested to update with their respective Depository Participants ("DP"), their bank account details (account number, 9 digit MICR and 11 digit IFSC), e-mail IDs and mobile number. Members holding shares in physical form may communicate details to the Company / Registrar and Transfer Agent viz. Bigshare Services Private Limited ("RTA") before Wednesday, 02nd September, 2020 by quoting the Folio No. and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self attested scanned copy of the PAN card.
- xvi. Members can avail of the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act.
- xvii. Additional information of Directors seeking re-appointment at the ensuing AGM, as required under Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of the SS-2, is annexed to the Notice
- xviii. In line with MCA Circulars and SEBI circular dated 12th May 2020, the Notice calling the AGM along with the Annual Report for 2019-20 ("Annual Report") is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice of AGM and Annual Report will also be available on the website of the Company at www.lactoseindialimited.com, the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The Notice is also disseminated on the website of CDSL (agency providing the remote e-voting facility and e-voting during the AGM) at www.evotingindia.com. For the purpose of receiving the Notice of the AGM and the Annual Report through electronic mode in case the email address is not registered with the respective DPs / Company / RTA, Members may register the email IDs using the facility provided by the Company through the following link <https://bigshareonline.com/InvestorRegistration.aspx#AdvdTrack#> Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in dematerialized form and with Company/ RTA in case the shares are held by them in physical form.
- xix. Since the AGM will be held through VC / OAVM, the route map is not annexed to the Notice.
- xx. The Company is providing the facility of live webcast of proceedings of the AGM. Members who are entitled to participate in the AGM can view the proceedings of AGM by logging in the website of CDSL at www.evotingindia.com using the login credentials.
- xxi. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice till Wednesday, 09th September 2020. Members seeking to inspect such documents are requested to write to the Company at lil@lactoseindialimited.com.
- xxii. In case of any queries regarding the Annual Report, the Members may write to investor@bigshareonline.com to receive an email response.
- xxiii. **Procedure for voting through electronic means:**

(A) Procedure and instructions for remote e-voting

In compliance with the provision of Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members' facility to exercise their right to vote at 29th AGM by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL).

The instructions for shareholders voting electronically are as under:

For Members, whose e-mail addresses are registered with the Company/ Depositories:

The instructions for members for voting electronically are as under:

- (i) The voting period begins on Saturday, 05th September, 2020 at 9.00 a.m. (IST) and ends on Tuesday, 08th September, 2020 at 5.00 p.m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, 02nd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - d. Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the Electronic Voting Sequence Number (EVSN) of Lactose (India) Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish

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to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, non-individual Members are required to send the relevant Board resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the scrutinizer and to the Company, if the aforesaid documents are not uploaded on the CDSL e-voting system, for scrutinizer to verify the same
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800 22 5533.

(xxi) All grievances connected with the e-voting facility may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlat Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call 1800 22 5533 / 022-2305 8542.

(B) Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

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

(C) Procedure and instructions for Members attending the AGM through VC / OAVM

- Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM through the facility provided by CDSL at www.evotingindia.com by using their remote e-voting login credentials and selecting the EVSN for the Company's AGM.
- Members are encouraged to join the AGM through laptops / iPads for better experience.
- Members connecting through mobile devices or tablets or laptop connecting via mobile hotspot may experience loss of audio / video due to fluctuation in the network.

Members are requested to use an internet facility with a good bandwidth to avoid facing any disturbance during the AGM.
- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number along with their queries at lil@lactoseindialimited.com from Sunday, 30th August, 2020 from 9:00 a.m. (IST) to Tuesday, 01st September, 2020 till 5:00 p.m. (IST). Those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM.
- The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

(D) Procedure and instructions for Members for e-voting during the AGM are as under:

- The procedure to be followed for e-voting on the day of the AGM will be the same mentioned above for

remote e-voting.

- ii. Only those Members, who are present at the AGM through VC / OAVM 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 during the AGM.
- iii. If any votes are cast by the Members through the e-voting facility available during the AGM and if the said Members have not participated in the AGM through VC / OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the AGM is available only to the Members attending the AGM
- iv. Members who need any technical assistance before or during the AGM, can contact Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call 1800 22 5533 / 022-2305 8542.

Declaration of Results:

- i. M/s. Jajodia and Associates, Practicing Company Secretary (Membership No: 36944), has been appointed as the scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- ii. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty-eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- iii. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.lactoseindialimited.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

ANNEXURE TO THE NOTICE

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Name of the Director	Mr. Shyamsunder Toshniwal
DIN	01223515
Designation	Non- Executive Director
Date of Birth	30/05/1940
Age	80 years
Date of Appointment	13/08/2014
Nationality	Indian
Brief Resume	Mr. Shyamsunder Toshniwal is a LLB Graduate having a wide expertise in the field of financial and legal matters and he has a rich experience in various fields.
Expertise in specific functional area	Financial and Legal Matters
Qualification	B.Com (Hons). LLB
List of outside Directorship held as on 31st March, 2020 (Excluding Private Limited Companies and Foreign Companies)	NIL
Chairman/Member of the Committee of Board of Directors of the Company as on 31st March, 2020	NIL

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No of Shares held in the Company as on 31st March, 2020	908073
Relationship with other Directors and Key Managerial Personnel	Mrs. Sangita Maheshwari- Daughter Mr. Atul Maheshwari- Son- in- law
Remuneration proposed to be paid	NA
Remuneration last drawn (including sitting fees, if any) for the financial year 2019-20	-
Number of Board Meetings attended during the financial year 2019-20	06
Terms and Conditions of Appointment/Re-appointment	N.A

EXPLANATORY STATEMENT

In Conformity with the Provisions of Section 102(1) of the Companies Act, 2013 the following Explanatory Statement sets out all the material facts relating to the item of Business of the Notice dated 14th August, 2020 and the same should be taken as forming part of the notice.

Item No.3

As per Sections 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended and the rules made thereunder (the "Act") and other applicable provisions, if any, and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, approval of the Members of the Company by way of special resolution is required for issue & allotment of Convertible Warrants on preferential basis to proposed allottee(s) belonging to promoters' group.

The Company is in the process of improving market share and enhancing shareholders' value, implementation of these would require infusion of additional funds in the Company. Further to strengthen the financial position, to meet working capital requirements & to augment the financial resources of the Company the management has proposed the preferential issue of convertible warrants. The Company has accordingly proposed the preferential issue of its securities and as a reflection of the confidence that the promoters have in the future of the Company, the proposed allottee(s) belonging to promoters' group of the Company have agreed to subscribe to and infuse further capital to strengthen its financial position and net worth.

To meet the funding requirements the Company proposes to issue an aggregate of up to 24,00,000 Convertible Warrants on a preferential basis Convertible into equivalent number of equity shares of the Company of Face value of Rs. 10/- each (hereinafter referred to as "Warrants") at anytime within a period of 18 months from the date of allotment at an exercise price of Rs. 21/- (including a premium of Rs. 11/-) per equity share ("Exercise Price" or such adjusted numbers for any bonus, stock splits or consolidation, reduction or other reorganization of the capital structure of the company) the proposed allottee(s) belonging to promoter's group of the Company, as detailed hereunder, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion;

The convertible price of the Warrants is not lower than the price computed in accordance with Regulation 164 of the Securities and Exchange Board of India (Issuance of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations").

Necessary information or details as required in respect of the proposed issue of Convertible Warrants in terms of applicable provisions of the Act read with related Rules thereto and SEBI (ICDR) Regulations are as under:

- I) The Object of the preferential issue of Warrants Convertible: Your Company is in the process of improving market share and enhancing shareholders' value, implementation of these would require infusion of additional funds in the Company. Further to strengthen the financial position, to meet working capital requirements & to augment the financial resources of the Company the management has proposed the preferential issue of convertible warrants.
- II) Maximum Number of securities to be issued:
The Company proposes to issue upto 24,00,000 Convertible warrants of face value of Rs. 10/- each at a price of Rs 21/- including a premium of Rs. 11/- per Warrant aggregating to Rs. 5,04,00,000/- (Rupees Five Crores Four Lakhs only).
- III) The price or price band at/within which the allotment is proposed: The proposed issue will be made at Rs. 21/- inclusive of face value of Rs. 10/- each and a Premium of Rs. 11/- per Warrant aggregating to Rs. 5,04,00,000/- (Rupees Five

Crores Four Lakhs only) to proposed allottee(s).

IV) Basis on which the price has been arrived:

The equity shares of Company are listed on BSE Limited and are frequently traded in accordance with SEBI (ICDR) Regulations.

In terms of the applicable provisions of SEBI (ICDR) Regulations the price at which Equity Warrants shall be allotted shall not be less than higher of the following:

- a. Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the Stock Exchange, during the Twenty Six (26) weeks preceding the Relevant Date; or
- b. Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the Stock Exchange, during the Two (2) weeks preceding the Relevant Date.

The pricing of the Convertible Warrants to be allotted on preferential basis is Rs. 21/- per Warrant convertible into equivalent number of Equity Share of face value of Rs. 10/- each, which is not lower than the price determined in accordance with applicable provisions of SEBI (ICDR) Regulations

V) Relevant date with reference to which the price has been arrived at: The "Relevant Date" as per the ICDR Regulations for determining the minimum price for the preferential issue of Convertible Warrants is 10th August, 2020 being 30 days prior to the date of the Annual General Meeting i.e. 09th September, 2020.

VI) The class or classes of persons to whom allotment is proposed to be made:

Name & Address of the Proposed Allottee(s)	Permanent Account No.	Class or classes of persons	Number of Convertible Warrants to be allotted
Mr. Shyamsunder Toshniwal Address: Goolrukh, 10th Floor, 83, Worli Seaface, Worli Mumbai 400025	AAAPT6419L	Promoter	4,12,500
Mr. Atul Maheshwari Address: 1302, Spring Tower, ICC G.D. Ambekar Marg, Next to Wadala Telephone Exchange, Dadar (East), Mumbai – 400014	AANPM3713D	Promoter	4,12,500
Mrs. Sangita Maheshwari Address: 1302, Spring Tower, ICC G.D. Ambekar Marg, Next to Wadala Telephone Exchange, Dadar (East), Mumbai – 400014	AFQPM9848B	Promoter	4,12,500
Mrs. Madhubala Toshniwal Address: Goolrukh, 10th Floor, 83, Worli Seaface, Worli Mumbai 400025	ADDPT1277A	Promoter	4,12,500
SST Private Family Trust Address: Goolrukh, 10th Floor, 83, Worli Seaface, Worli Mumbai 400025	AARTS1196C	Promoter group	7,50,000
Total			24,00,000

VII) Intention/Proposal of promoters, directors or key managerial personnel to subscribe to the offer: The Proposed Allottee(s) belonging to the Promoter and Promoter's group shall be subscribing to all the Warrants under the proposed Preferential Offer.

VIII) The proposed time frame within which the allotment shall be completed: The Warrants are proposed to be allotted within 15 days of the passing of the Special Resolution in the Annual General Meeting. Provided that where the allotment is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.

IX) The names of the proposed allottee(s) and the percentage of post preferential offer warrants that may be held by them:

Proposed Allottee(s)	Prior holding		New Convertible warrants to be allotted	Post holding (assuming all the warrants are converted)	
	No. of Shares held	% of shareholding		No. of Shares held	% of shareholding
Mr. Shyamsunder Toshniwal	9,08,073	8.91%	4,12,500	13,20,573	10.49%
Mr. Atul Maheshwari	9,48,510	9.31%	4,12,500	13,61,010	10.81%
Mrs. Sangita Maheshwari	11,27,410	11.06%	4,12,500	15,39,910	12.23%

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Mrs. Madhubala Toshniwal	6,10,968	6.00%	4,12,500	10,23,468	8.13%
SST PVT Family Trust	-	-	7,50,000	7,50,000	5.96%

- X) The change in control, if any, in the Company that would occur consequent to preferential offer: There will not be any change in the composition of the Board of Directors and control of the Company on account of the proposed preferential allotment however there will be a corresponding change in the shareholding pattern as well as voting rights consequent to the preferential allotment.
- XI) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:
During the year, the Company has not made any allotment on Preferential basis.
- XII) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer: Not Applicable as the allotment shall be made against the cash.
- XIII) Lock in period: i) The Warrants and the equity shares to be allotted pursuant to exercise of entitlement attached to Warrants shall be subject to 'lock-in' as per the ICDR Regulations. The Warrants so issued and allotted as above shall be subject to lock-in for a period of Three years from the date of allotment in accordance with SEBI ICDR Regulations. Such locked in equity shares may however be transferred to and amongst the Promoters / Promoter Group subject to the provisions of ICDR Regulations.
- ii) The entire pre-preferential allotment shareholding, if any, of the proposed allottee(s) shall be locked in from the Relevant Date up to a period of six months from the date of trading approval as per Regulation 167(6) of the ICDR Regulations, 2018.
- XIV) The shareholding pattern of the Company before and after the preferential issue:

Equity Share Capital

No.	Category	Pre Issue		Post Issue	
		No. of Shares held	% of Share-holding	No. of Shares held	% of Share-holding
A	Promoters holding:				
A1	Indian:				
1.	Individuals/HUF	37,93,241	37.23%	54,43,241	43.24%
2.	Bodies Corporate	5,78,184	5.67%	5,78,184	4.59%
3.	Financial Institutions/ Banks	-	-	-	-
4.	Trust	-	-	7,50,000	5.96%
5.	Others	-	-	-	-
	Sub-Total (A1)	43,71,425	42.90%	66,21,425	53.79%
A2	Foreign Promoters	-	-		
	Sub-Total (A2)	-	-		
	TOTAL A (A1+A2)	43,71,425	42.90%	66,21,425	53.79%
B	Non-Promoters holding:				
B1.	Institutions				
	Financial Institutions/ Banks	77,920	0.76%	77,920	0.62%
	Sub-Total (B1)	77,920	0.76%	77,920	0.62%
B2.	Non-Institution:				
	Bodies Corporate	8,87,702	8.71%	8,87,702	7.05%
	Individuals	46,18,602	45.34%	46,18,602	36.69%
	Clearing Members	11,188	0.11%	11,188	0.09%
	Indian Public	-	-		
	Others (Including NRIs)	2,22,163	2.18%	2,22,613	1.76%
	Sub-Total (B2)	57,39,655	56.33%	57,39,655	45.59%
	TOTAL B (B1+B2)	58,17,575	57.10%	58,17,575	46.21%
	GRAND TOTAL (A+B)	1,01,89,000	100.00%	1,25,89,000	100.00%

XV) Identity of Proposed Allottee (including natural persons who are the ultimate beneficial owners of equity shares proposed to

be allotted and/or who ultimately control), the percentage (%) of Post Preferential Issue Capital that may be held by them and Change in Control, if any, consequent to the Preferential Issue:

Proposed Allottee(s)	Category	Name of the natural persons who are the ultimate beneficial owners	Prior holding		New Convertible warrants to be allotted	Post holding (assuming all the warrants are converted)	
			No. of Shares held	% of shareholding		No. of Shares held	% of shareholding
Mr. SST Private Family Trust	Promoter Group	(i) Mrs. Madhubala Toshniwal; (ii) Mr. Sanjay Toshniwal; (iii) Mrs. Sangita Maheshwari; (iv) Mr. Sandeep Toshniwal.	-	-	7,50,000	7,50,000	5.96%
Mr. Shyamsunder Toshniwal	Promoter	-	9,08,073	8.91%	4,12,500	13,20,573	10.49%
Mrs. Sangita Maheshwari	Promoter	-	11,27,410	11.06%	4,12,500	15,39,910	12.23%
Mr. Atul Maheshwari	Promoter	-	9,48,510	9.31%	4,12,500	13,61,010	10.81%
Mrs. Madhubala Toshniwal	Promoter	-	6,10,968	6.00%	4,12,500	1,023,468	8.13%

XVI) Listing:

The Company will make an application to BSE Limited at which the existing shares are already listed, for listing of the equity shares being issued on conversion of Convertible Warrants. Such Equity Shares, once allotted, shall rank pari passu with the existing equity shares of the Company in all respects, including dividend.

XVII) Auditors' Certificate

The Certificate being issued by M/s. CAS & Co., Chartered Accountants, Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements contained in the SEBI (ICDR) Regulations, will be placed before the Members at the AGM and will be kept open for inspection at the Registered Office of the Company between 11:00 am and 1:00 pm on all working days between Monday to Friday of every week, upto the date of this AGM.

XVIII) Other Disclosures/Undertaking:

1. It is hereby confirmed that neither the Company nor its Directors and to the Company's Knowledge any of its Promoters is a wilful defaulter;
2. The Proposed Allottee has not sold any equity shares during the six months preceding the Relevant Date;
3. The Company shall re-compute the price of the Convertible Warrants in terms of the provision of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 where it is required to do so;
4. If the amount payable on account of the re-computation of price is not paid within the time stipulated in SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, the Convertible Warrants shall continue to be locked-in till the time such amount is paid by the allottees.

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The approval of the Members by way of Special Resolution is required in term of the applicable provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI (ICDR) Regulations and accordingly the approval of the Members of the Company is being sought.

None of Directors /Key Managerial Persons (KMP) or their relatives are interested in any way in the resolutions mentioned above except their Shareholdings in the Company.

Dear Shareholder

Sub: Green Initiative in corporate Governance-Electronic mode of service of Documents

The Ministry of Corporate affairs, Government of India, has by circular no 17/2011 dated 21st April 2011 and 18/2011 dated 29th April,2011 respectively, clarified that a company will have complied with the provisions of the companies act, 1956, if service of notice(s) / document(s) on its shareholders has been made through electronic mode. This initiative by the government is indeed commendable and your company supports the same. We are sure, that as a responsible shareholder, you too will support this initiative. By registering yourself with the company for e-communication, you will be able to receive such notice(s) / document(s) etc. promptly and without loss in postal transit.

It is proposed that henceforth documents like Notices of Meetings, annual Reports, Directors Report, Auditors Report and other shareholder communication will be sent electronically to the email address provided by you and made available to the Company by the Depositories viz, NSDL / CDSL. As and when there are changes in your email address, you are requested to keep your Depository Participant (DP) informed of the same.

For shares held in Physical form, shareholders can either register their email address with the Company at investor.lactose@gmail.com mentioning their name(s) and Folio no. or return this Letter duly filled in to the Company's Registrar & Transfer Agent.

Kindly note that if you still wish to get a hard copy of the above documents, the Company will send the same, free of cost, upon receipt of a request from you.

Thanking you

Yours sincerely,

For Lactose (India) Limited

Atul Maheshwari

Managing Director

Folio No. / DP ID & Client ID

Name of 1st Registered Holder ___ Name of Joint Holder(s)

E-mail Address (To Be Registered) ___

Mobile No.

Date: _____

Signature: _____

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the Twenty Ninth Annual Report of the Company together with the Audited Statement of the Accounts for the Financial year ended on 31st March, 2020.

FINANCIAL STATEMENT: (Rs. In Lakhs)

Particulars	2019-2020	2018-2019
Operating and other Income	4034.40	4103.30
Expenditure	(4024.46)	(3995.85)
Profit before Tax	9.94	107.44
Provision for Current Tax	1.55	20.73
Deferred Tax	0.82	14.69
Taxation of Earlier Years	0.37	-
After Tax	3.61	70.82

DIVIDENDS:

The Board of Directors of your Company do not recommend any Dividend on equity shares for the FY 2019-2020.

REVIEW OF OPERATIONS:

During the year under review, revenue of the Company was Rs. 4004.85 lakhs as compared to Rs. 4060.36 lakhs in the corresponding previous year. The Company earned net profit of Rs. 3.61 lakhs as compared to net profit of Rs. 70.82 lakhs in the corresponding previous year.

TRANSFER TO RESERVE:

The Company has not transferred any amount to reserves during the Financial Year 2019-20.

DEPOSITS:

The Company has not accepted any deposit or unsecured loans from the public within the meaning of Section 73 of the Companies Act, 2013 read with The Companies (Acceptance of deposit by Companies) Rules, 2014.

SHARE CAPITAL:

The Authorised Share Capital of the Company as on 31st March, 2020 is Rs. 15,00,00,000/- (1,50,00,000 Equity Shares of Rs.10/- each). The Issued, Subscribed and Paid-Up Equity Share Capital as on 31st March, 2020 is Rs. 10,18,90,000/-. During the year under review, the Company in the Extra-ordinary General Meeting held on 12th March, 2020 had approved the preferential issue of 21,00,000 convertible warrants on preferential basis to the promoter group and the company had received the in-principle approval as well. However, due to pandemic of COVID-19, the company could not allot Convertible warrants therefore, the In-principle approval has been lapsed

During the year under review, the Company has not issued shares with differential voting rights nor has issued any sweat equity shares as on 31st March, 2020.

DIRECTORS:

In accordance with the provisions of Section 152 of the Act, and that of Articles of Association of the Company, Mr. Shyamsunder

Toshniwal, Director of the Company retires by rotation at ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

DECLARATION BY AN INDEPENDENT DIRECTOR(S)

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars and Guidance Notes issued by SEBI in this regard, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees.

The performance evaluations of Independent Directors were also carried out and the same was noted. Independent Directors in their meeting held on 05th February, 2020 decided to bring more transparency in their performance and bring more responsibility while taking any policy decisions for the benefit of the shareholders in general.

MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Management Discussion and Analysis of financial condition, including the results of operations of the Company for the year under review as required under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as a separate section forming part of the Annual Report.

BOARD MEETINGS:

During the FY 2019-20, 06 (Six) Board Meetings were conveyed and held by the Company. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder and Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on 05th February, 2020 during the financial year 2019-20, without the attendance of Non-Independent Directors and Members of the Management.

The Independent Directors reviewed performance of Non-Independent Directors, Chairman of the Company and the performance of the Board as a whole. The Independent Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The feedback of the Meeting was shared with the Chairman of the Company.

NOMINATION AND REMUNERATION POLICY:

Pursuant to Provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination & Remuneration committee the Board has adopted policy for selection and appointment of Directors, Senior Management and their remuneration. The details of Remuneration Policy is stated in the Corporate Governance Report. The Nomination and Remuneration Policy is posted

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on the website of the Company. The web link for the same is: <https://www.lactoseindialimited.com/policy.php>.

STATUTORY AUDITOR & AUDIT REPORT:

At the Annual General Meeting of the Company held on 09th August, 2017, C A S & Co., Chartered Accountants (Formerly known as M/s. K. M. Tulsian & Associates, Chartered Accountants,) Mumbai (Firm Registration Number 111075W), were appointed as statutory auditors of the Company for a term of five years [i.e., till the conclusion of Annual General Meeting to be held in FY 2022-2023], subject to ratification of their appointment by Member's at every AGM, if do required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 07th May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory auditors at the ensuing AGM.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies Appointment and Remuneration of Managerial Personnel) rules, 2014, the Secretarial Auditors, M/s. Jajodia and Associates, Practising Company Secretary, Mumbai (Certificate of Practice No. 19900), have issued Secretarial Audit Report for the Financial Year 2019-20 which is annexed as "Annexure A" and forms part of this Report.

STATEMENT PURSUANT TO SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS 2015:

The Company's Equity shares are listed at BSE Limited. The Annual listing fee for the year 2019-20 has been paid.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control Systems commensurate with the size, scale and complexity of its operation. The scope and authority of the Internal Audit function is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Managing Director.

The Accounts Department monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Significant Audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The policy is placed on the website of the Company. The web link for the same is:- <http://www.lactoseindialimited.com/policy.php>

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

The information required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is given hereto and forms a part of this report as an "Annexure B".

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Energy conservation is not only a national priority but also a key value driver for your Company. Employees are also encouraged to give suggestion that will result in energy saving.

As prescribed under the Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is not applicable, as there is no technology absorption, adaptation and innovation made by your Company. However, it has been the endeavor of the Company to continuously upgrade & standardize its products.

FOREIGN CURRENCY EARNING AND OUTGO

		Rs. (In Lacs)
i)	CIF Value of Imports	-
ii)	Expenditure in foreign currency	22.37
iii)	Foreign Exchange earned	123.05

PARTICULARS OF EMPLOYEES:

Disclosures pertaining to remuneration and other details as required 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 are provided in the Annual Report and is marked as "Annexure C" to this Report.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134(3)(a), extract of Annual Return in Form MGT-9 has been annexed to this Annual Report in "Annexure D" and same is available on the website of the Company and its weblink is www.lactoseindia.com

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY UNDER SECTION 186:

The details of Loan, Guarantees and Investments made by the Company under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to the Financial Statements.

SAFETY, HEALTH AND ENVIRONMENT:

Your Company recognizes its role in health and safety, as well as its responsibility towards environment and society. Infact, your Company's goals are: no accidents, no injuries to people and no damage to environment. Safety and security of personnel, assets and environmental protection are also on top of the agenda of the Company at its manufacturing facilities.

Clean environment and sustainable development integrated with the business objective is the focus of operations of the Company. The projects and activities are planned and designed with environment protection as an integral part to ensure a safe and clean environment for sustainable development.

DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3)(c) OF THE COMPANIES ACT 2013:

To the best of knowledge and belief and according to the

information and explanation obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act.

- (a) That in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgments have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2019 and of the profit or loss of the company for the year ended on that date;
- (c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the annual financial statements have been prepared on a going concern basis;
- (e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (f) That systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE:

As per the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the Company has prepared a report on Corporate Governance together with a certificate from the Company's Auditors confirming Compliance is set out in the "Annexure E" forming the part of this Annual Report.

DISCLOSURES:

AUDIT COMMITTEE

The Audit Committee comprises Independent Directors namely Mr. G. K. Sarda (Chairman), Mr. Pramod Kalani and Mr. Mahendra Singhi Omprakash as other members. The Audit Committee played an important role during the year. It co-ordinated with the Statutory Auditors, Internal Auditors and other key personnel of the Company and has rendered guidance in the areas of internal audit and control, finance and accounts. All the recommendations made by the Audit Committee were accepted by the Board. During the FY 2019-20, 04 (Four) Audit Committee's Meetings were conveyed and held by the Company. The details of which are given in the Corporate Governance Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the FY 2019-20, 04 (Four) Stakeholders Relationship Committee's Meetings were conveyed and held by the Company. The details of which are given in the Corporate Governance Report. With the compulsory dematerialization of the Company's shares and electronic mode of transfers, postal dispatches which led to usual complaints, have been minimized.

NOMINATION & REMUNERATION COMMITTEE:

During the FY 2019-20, 02 (Two) Nomination & Remuneration Committee's Meetings were conveyed and held by the Company. The details of which are given in the Corporate Governance Report. The Nomination and Remuneration Committee

recommends to the Board the suitability of candidates for appointment as Key Managerial Personnel, Directors and the remuneration packages payable to them and other employees.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment.

During the financial year under review, the Company has not received any complaints from any of the employees of the Company.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

Industrial Relations continued to be harmonious throughout the year under review. Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programs which have helped the Organization achieve higher productivity levels.

MATERIAL CHANGES:

There are no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company i.e. 31st March, 2020 to which these financial statements relate and date of this report.

RISK MANAGEMENT POLICY:

As per the Act, and as part of good corporate governance the Company has constituted the Risk Management Committee. The Committee has laid down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan and policy for the Company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management. It was specifically confirmed to the Committee by the MD and the CFO that the mitigation plans are finalised and up to date, owners are identified and the progress of mitigation actions are monitored.

PREVENTION OF INSIDER TRADING:

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. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Directors and the designated employees have confirmed compliance with the Code.

SIGNIFICANT OR MATERIAL ORDERS AGAINST COMPANY

No significant and material orders were passed by the regulators

Lactose (India) Limited

or courts or tribunals impacting the going concern status and your Company's operation in future

APPRECIATION:

Your Directors take this opportunity to convey their deep sense of gratitude for valuable assistance and Co-operation extended to the Company by all valued customers and bankers of the Company.

Your Directors also wish to place on record their sincere appreciation for the valued contribution, unstinted efforts by the employees at all levels which contributed, in no small measure,

to the progress and the high performance of the Company during the year under review.

For and on Behalf of the Board

Sd/-
(Atul Maheshwari)
Managing Director
DIN:00255202

Sd/-
(Sangita Maheshwari)
Whole-time Director &
CFO
DIN:00369898

Date : 13.08.2020
Place : Mumbai

Regd. Office
Survey No. 6,
Village Poicha (Rania)
Savli, Vadodara,
Gujarat - 391780

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Cavet

The views expressed in this analysis and the estimates mentioned were prepared prior to the onset of the COVID-19 pandemic and, hence are subject to change, depending on the evolving situation related to the pandemic.

Global Pharmaceutical Industry:

As per the research, the global pharmaceutical industries will be worth USD 1.57 trillion by 2023. The growth in this market is predicted on the basis of various factors like market drivers, current and upcoming trends, current growth pattern, and market challenges. North America is expected to retain its leading position in the global pharmaceuticals market with market share of 45.33% in 2023 improving on its market share compared to 2017. Europe on the contrary is expected to see a decline in its market share compared to 2017 and be worth 20.24% of global pharma industry in 2023. Asia Pacific pharmaceuticals market is expected to retain its second position with a market share of 24.07% in 2023. Latin America and Middle East and Africa (MEA) are expected to retain 7.53% and 2.96% market share of global pharmaceuticals market in 2023. This growth is fuelled by the growing and ageing population in key markets. As per World Population Prospects by United Nations, the worldwide population is likely to cross 9.3 billion by 2050 and around 21% of this population is expected to be aged 60 and above. Apart from ageing and rising population the improvements in purchasing power and access to quality healthcare and pharmaceuticals to poor and middle-class families worldwide also is driving the growth of global pharma industry. Another aspect which is leading this growth is rising focus of pharmaceuticals companies to tap the rare and speciality diseases market. Innovations in advanced biologics, nucleic acid therapeutics, cell therapies and bioelectronics & implantables has attracted investments in the industry by even non-pharma companies like Facebook, Qualcomm etc. which is also driving the global pharmaceuticals industry growth. On the other hand, adoption of cost control policies along with tightening of rules by governments in key markets are expected to impact the growth prospect of the global pharmaceuticals industry. Pharmaceuticals companies are forced to reduce their research and development (R&D) spending due to slowdown of growth in last few years which is also expected to hamper growth of the global pharma market as new drugs revenue form large part of pharma firm's revenue due to exclusivity of the drug. Apart from this generics pharma market is facing decreasing return on investment due to price erosion in key markets which is forcing many firms to look for other avenues and markets to sustain growth.

Indian Industry Structure and Development:

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in the UK.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights.

Market Size

Indian pharmaceutical sector is expected to grow to US\$ 100 billion, while medical device market is expected to grow US\$ 25 billion by 2025. Pharmaceuticals export from India stood at US\$ 20.70 billion in FY20. Pharmaceutical export include bulk drugs, intermediates, drug formulations, biologics, Ayush and

herbal products and surgical.

India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics is expected to grow at an average growth rate of around 30 per cent a y-o-y to reach US\$ 100 billion by 2025.

The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programs, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

Opportunities and Threats:

There are very few manufacturers of API developed by the company worldwide, which has high demand in the market. A part from this, being in contract manufacturing business our clients has added new products to the existing product line.

While the underlying demand drivers for global markets continue to remain broadly intact, the operating environment has become significantly tougher for sub-scale business models, as sector profitability comes under pressure.

Segment-wise or product-wise performance:

The Company's business activity falls within a single business segment i.e. Pharmaceutical Business.

Outlook:

The company has focused on new product development. The outlook of the company remains positive during the financial year. The company enjoys cGMP approvals and all the facilities are built and operated according to the cGMP (current Good Manufacturing Practices).

Risk and Concerns:

The company is majorly dependent on contract manufacturing business for another few years, till the company achieves full capacity utilization for its own manufactured product.

Internal Control System and their adequacy:

Being a pharma company and ISO Certified the process parameters are fully documented and are in place. The role and responsibilities of various people are fully defined in all the functional level. There is continuously flow of information at all level and effective internal audit and internal checks are done at regular interval to ensure their adequacy and efficiency.

Additionally, the following measures are taken to ensure proper control:

- Budgets are prepared for all the operational levels.
- Any material variance from budget has to be approved by the Commercial director.
- Any major policy change is approved by the managing director.
- Any deficiency in not achieving target is reviewed at management meetings.

Discussion on financial performance with respect to operational performance:

(Rs. In Lakhs)

Particular	For the year ended 31.03.2020	For the year ended 31.03.2019
Revenue from Operation	4004.85	4060.84
Other Income	29.54	42.46

Lactose (India) Limited

Profit/Loss Before Depreciation and Tax	400.57	467.82
Tax (Including Deferred Tax) Net	2.73	72.02
Profit/Loss After Depreciation and Tax	3.61	70.82

Human Resource development / Industrial relations:

The company continues to focus on training and motivation of manpower so as to develop team of qualified and skilled personnel to effectively discharge their responsibilities in a number of projects and activities. It is in this context, we have been working towards promoting the skills and professionalism of our employees to cope with and focus on the challenges and growth. The overall industrial relations atmosphere continues to be cordial. The company has revamped the existing HR policies to be more people friendly and offered them a better work life balance.

Details of significant changes:

Particulars	FY 2019-20	FY 2018-19
Debtors Turnover	17%	17%
Inventory Turnover	43%	38%
Interest Coverage Ratio	58%	53%
Current Ratio	1.73	1.46
Debt Equity Ratio	52.61%	51.27%
Operating Profit Margin	24%	25%
Net Profit Margin	0.09%	1.74%

Details of any change in Return on Net Worth:

The Company Return on Net Worth (RoNW) has gone down to 0.11% for financial year 2019-20 as compared to 2% for financial year 2018-19. The drop in RoNW was primarily driven by increase in processing charges while takeover of loan with lower rate of interest. The earning effect of such funds is expected to be visible in FY 2021-22 when the company shall be utilized its new production capacity.

“Annexure A”

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

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

To,
The Members,
Lactose (India) Limited
Survey No. 6, Savli,
Village Poicha (Rania),
District Vadodara – 391780

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lactose (India) Limited (hereinafter called “The Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s 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 ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I herewith report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. My responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. I have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2020, as per the provisions of:

- I. The Companies Act, 2013 (“The Act”) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) to the extent applicable to the Company: -

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
- c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e. 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;
- f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

No such transaction during the year under review.

- g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

No such transaction during the year under review.

- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

No such transaction during the year under review.

- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

No such transaction during the year under review.

VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as mentioned bellows:

- Factories Act, 1948
- Industrial Disputes Act, 1947
- Payment of Wages Act, 1936 & Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- The Contract Labour (Regulation and Abolition) Act, 1970
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Employees State Insurance Act, 1948
- Environment Protection Act, 1986
- Indian Contracts Act, 1872
- Income Tax Act, 1961 and Indirect Tax Laws

Lactose (India) Limited

- Pollution Control Laws
 - Explosives Act, 1884 and Explosives Rules, 2008
 - Drugs and Cosmetic Acts, 1940 and Rules thereunder
 - Drug (Price Control) Order, 2013
 - The Central Excise Act, 1944
 - The Customs Act, 1962
 - The Central Goods and Service Tax Act, 2017
 - The State Goods and Service Tax Act, 2017
 - The Integrated Goods and Service Tax Act, 2017
 - GST Rules, 2017
 - Information Technology Act, 2000
 - The Minimum Wages Act, 1948
 - The Employees Compensation Act, 1923
 - The Maternity Benefit Act, 1961
 - The Indian Electricity Rules, 1956
 - The Standard Weight and Measurement Act, 1976
 - Food Safety and Standards Act, 2006
 - The Patents Act, 1970
 - The Trade Marks Act, 1999
 - Indian Boilers Act, 1923
- (Rupees Nine Lakh & Eleven Thousand only) from Axis Bank Limited;
3. Approved re-appointment of Mr. Atul Maheshwari as a Managing Director for a further tenure of 5 years with effect from 01st October, 2019.
 4. Approved re-appointment of Mr. Pramod Kalani as a Non-executive Independent Director for a further tenure of 5 years.
 5. Approved re-appointment of Mr. Gopal Krishna Sarda as Non-executive Independent Director for a further tenure of 5 years
 6. Approved re-appointment of Mr. Mahendra Singhi Omprakash as a Non-executive Independent Director for a tenure of 5 years
 7. Approved appointment of Jajodia and Associates as Secretarial Auditor of the Company.
 8. Approved increase in remuneration of Mr. Yash Maheshwari holding an office or place of profit in the Company.
 9. Approved resignation of Ms. Riddhi Sidhpura as Company Secretary & Compliance Officer of the Company with effect from 07th January, 2020;
 10. Approved appointment of Mr. Ritesh Pandey as Company Secretary & Compliance Officer of the Company with effect from 10th January, 2020;
 11. Increased in Authorized Share Capital of the Company from Rs. 12 Crore(s) to Rs. 15 Crore(s).
 12. Approved an issue of 21,00,000 convertible warrants on preferential basis to the promoter group at the Extra-ordinary General Meeting of the Company held on 12th March, 2020.
 13. Received In-principle approval from BSE Limited for the preferential issue was received by the Company on 27th March, 2020. However, due to pandemic of COVID-19, the company could not allot Convertible warrants and In-principle approval has been lapsed.

I have also examined compliances 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 the Stock Exchange(s), where the securities of the Company is Listed and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations 2015.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards, etc. as mentioned above. 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.

Adequate notice is given to all 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 the Company has:

1. Approved proposal to obtain Loan of Rs. 39,50,00,000/- (Rupees Thirty Nine Crore & Fifty Lakhs only) from Aditya Birla Finance Limited;
2. Approved proposal to obtain vehicle Loan of Rs. 9,11,000/-

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

- (i) Public/Right issue of shares / debentures / sweat equity etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

Further, my report of even dated to be read along with the following clarifications:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.

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I believe that the process and practices, I followed provide as reasonable basis of my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws and regulations and happening.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was

limited to the verification of procedures on test basis.

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.

Jajodia And Associates

**Priti Jajodia
Practising Company Secretary**

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ANNEXURE "B" TO THE DIRECTOR'S REPORT

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power & Fuel Consumption:

Power and Fuel Consumption		Current year	Previous year
		31.03.2020	31.03.2019
1)	Electricity		
	Purchase Unit (KWH)	5006992.91	5002409.00
	Total Amount (Amount in Lacs)	390.69	372.01
	Rate per Unit (Amount in Rupees)	7.80	7.44
2)	Agro Waste Briquettes		
	Quantity (MTS)	1066.17	940.35
	Total Amount (Amount in Lacs)	73.21	63.95
	Average Rate/ Ton (Amount in Rupees)	6866.81	6800.66
3)	Bio Coal		
	Quantity (MTS)	2627.05	3010.08
	Total Amount (Amount In Lacs)	165.90	188.33
	Average Rate/ Ton (Amount in Rupees)	6315.25	6256.64

ANNEXURE "C" TO THE DIRECTOR'S REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE, 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND ANNEXED TO AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2020:

(I)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :-	
Sr. no.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. Atul Maheshwari, Chairman & Managing Director	29.38 : 1
2	Mrs. Sangita Maheshwari, Whole Time Director & Chief Financial Officer	19.13:1
(ii)	The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year :-	
Sr. no.	Name of the Director/CFO/Company Secretary	% Increase over last F.Y.

Lactose (India) Limited

1	Mr. Atul Maheshwari, Chairman & Managing Director	23 %
2	Mrs. Sangita Maheshwari, Whole Time Director & Chief Financial	Nil
3	Ms. Ritesh Pandey, Company Secretary & Compliance Officer	Appointed w.e.f. 10 th January, 2020
(iii)	The percentage increase/ decrease in the median remuneration of employees in the financial year	10.12%
(iv)	The number of permanent employees on the rolls of the Company as on 31 st March, 2020.	112
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	The average annual increase was around 12.24%, after accounting for promotions and other event based compensation revisions. Increase in the managerial remuneration for the year was 12.63%.
(vi)	The key parameters for any variable component of remuneration availed by the directors	NIL
(vii)	Affirmation that the remuneration is as per the remuneration policy of the Company:	Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company.

(II) Statement showing details of Employees of the Company as per Section 197 (12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

In pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of top ten employees in terms of remuneration drawn is provided in a separate annexure forming part of this Report. Pursuant to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013 the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary of the Company and the same will be furnished without any fee.

a) A chart or a matrix setting out the skills / expertise / competence of the Board of Directors along with disclosure of relationships between directors inter-se:

Name of Directors	Designation	Disclosure of Relationship	List of core skills/ expertise/ competence
Mr. Atul Maheshwari	Managing Director	Mrs. Sangita Maheshwari- Wife; Mr. Shyamsunder Toshniwal- Father-in-law	Pharmaceutical Company
Mrs. Sangita Maheshwari	Whole time Director and Chief Financial Officer	Mr. Shyamsunder Toshniwal- Father; Mr. Atul Maheshwari- Husband	Finance, Sales and Marketing
Mr. G. K. Sarda	Non Executive Independent Director	NA	Engineering
Mr. Pramod Kalani	Non Executive Independent Director	NA	Manufacturing of Pharmaceuticals
Mr. Mahendra Singhi Omprakash	Non Executive Independent Director	NA	Pharmaceuticals and International Marketing
Mr. Shyamsunder B. Toshniwal	Non Executive Director	Mrs. Sangita Maheshwari- Daughter; Mr. Atul Maheshwari- Son-in-law	Financial and Legal Matters

ANNEXURE "D"
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31ST MARCH 2020
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:					
i	CIN	L15201GJ1991PLC015186			
ii	Registration Date	11th March, 1991			
iii	Name of the Company	Lactose (India) Limited			
iv	Category / Sub-category of the Company	Company Limited By shares & Indian Non- government Company			
v	Address of the Registered office & contact details	Survey No. 6, Village Poicha, (Rania), Savli Baroda, Gujarat - 391780 Tel: +91- 22 2411 7030, Fax: +91- 22 2411 7034 Email Id: ritesh.lactose@gmail.com Websiter: www.lactseindia.com			
vi	Address other than R/o where all or any books of account and papers are maintained	AG-02, Ground Floor, A Wing, Navbharat Estates Zakaria Bunder Road, Sewri (West), Mumbai 400015			
vii	Whether listed company	Yes			
viii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited Address: 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri – East Mumbai – 400059.			
II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
All the business activities contributing 10% or more of the total turnover of the company shall be stated					
SL. No.	Name & Description of main products / services	NIC Code of the Product / service	% to total turnover of the company		
1	Manufacturing of Pharmaceuticals	21002	38.25%		
2	Manufacturing of Other Pharmaceuticals	21009	56.51%		
III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES					
Not Applicable					
Sl. No.	Name & Address of the Company	CIN / GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
Not Applicable					

Lactose (India) Limited

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year 31.03.2019				No. of Shares held at the end of the year 31.03.2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2863241	930000	3793241	37.23	3793241	0	3793241	37.23	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other	0	0	0	0.00	0	0	0	0.00	0
i) Directors Relatives	0	0	0	0.00	0	0	0	0.00	0
ii) Group Companies	578184	0	578184	5.67	578184	0	578184	5.67	0.00
SUB TOTAL:(A) (1)	3441425	930000	4371425	42.90	4371425	0	4371425	42.90	0.00
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other...	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	3441425	930000	4371425	42.90	4371425	0	4371425	42.90	0.00
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks/FI	0	77920	77920	0.76	0	77920	77920	0.76	0.00
c) Central govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIS	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (B)(1):	0	77920	77920	0.76	0	77920	77920	0.76	0.00

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(2) Non Institutions									
a) Bodies corporates									
i) Indian	1218566	17347	1235913	12.13	881066	17147	898213	8.82	-3.31
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1189381	2446936	3636317	35.69	1289884	2375768	3665652	35.98	0.29
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	691498	0	691498	6.79	929664	0	929664	9.12	2.34
c) Others (specify)									
i) Hindu Undivided Family	0	0	0	0.00	131704	0	131704	1.29	1.29
ii) Clearing Member	15248	0	15248	0.15	8430	0	8430	0.08	-0.07
iii) Non-Resident Indians	0	0	0	0.00	0	0	0	0.00	0.00
iii) Non-Resident Indians (Repat)	138124	0	138124	1.36	85670	0	85670	0.84	-0.51
iv) Non-Resident Indians (Non Repat)	22555	0	22555	0.22	20322	0	20322	0.20	-0.02
v) Directors Relatives	0	0	0	0.00	0	0	0	0.00	0
vi) Employee	0	0	0	0.00	0	0	0	0.00	0
vii) Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0
viii) Overseas Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0
ix) Unclaimed Suspense Account	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (B)(2):	3275372	2464283	5739655	56.33	3346740	2392915	5739655	56.33	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	3275372	2542203	5817575	57.10	3346740	2470835	5817575	57.09	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0
Grand Total (A+B+C)	6716797	3472203	10189000	100	7718165	2470835	10189000	100	0

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(ii) SHARE HOLDING OF PROMOTERS								
SI No.	Shareholders 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 encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mr. Yashwardhan Maheshwari	35,360	0.35	0.00	35,360	0.35	100.00	0.00
2	Mr. Shyansunder Toshniwal	9,08,073	8.91	0.00	9,08,073	8.91	0.00	0.00
3	Mrs. Madhubala Toshniwal	6,10,968	6.00	0.00	6,10,968	6.00	0.00	0.00
4	M/s. Atul Maheshwari HUF	50,000	0.49	0.00	50,000	0.49	0.00	0.00
5	Mrs. Pushpa Maheshwari	1,12,920	1.11	0.00	1,12,920	1.11	0.00	0.00
6	Madhusa Life Care Private Limited	5,78,184	5.67	0.00	5,78,184	5.67	0.00	0.00
7	Mr. Atul Maheshwari	9,48,510	9.31	0.00	9,48,510	9.31	7.21	0.00
8	Mrs. Sangita Maheshwari	11,27,410	11.06	0.00	11,27,410	11.06	6.07	0.00
Total		4371425	42.90	0	4371425	42.90	0	0
(iii) CHANGE IN PROMOTERS' SHAREHOLDING (No change in Promoter Shareholding)								
SI. No.	Promoters' Name	Share holding at the beginning of the Year		Cumulative share holding during the year				
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the Company			
	NA	NA	NA	NA	NA			
(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)								
SI. No.	Shareholders' Name	Share holding at the beginning of the Year		Cumulative share holding during the year				
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the Company			
1	Gyaneshwar Multitrade Private Limited							
A	At the beginning of the year	11,16,215	10.96	11,16,215	10.96			
B	Changes during the year							
	Date	Reason						
	05-Apr-19	Sell	-2000	-0.02	1114215	10.94		
	19-Apr-19	Sell	-500	0.00	11,14,715	10.93		
	26-Apr-19	Sell	-2600	-0.03	11,17,315	10.91		
	10-May-19	Sell	-3,542	-0.03	11,07,573	11,07,573	10.87	
	17-May-19	Sell	-6,765	-0.07	11,00,808	11,00,808	10.80	
	24-May-19	Sell	-6,701	-0.07	10,94,107	10,94,107	10.74	
	31-May-19	Sell	-5,309	-0.05	10,88,798	10,88,798	10.69	
	07-Jun-19	Sell	-2,270	-0.02	10,86,528	10,86,528	10.66	
	14-Jun-19	Sell	-4,777	-0.05	10,81,751	10,81,751	10.62	
	21-Jun-19	Sell	-1,934	-0.02	10,79,817	10,79,817	10.60	
	28-Jun-19	Sell	-3,650	-0.04	10,76,167	10,76,167	10.56	
	29-Jun-19	Sell	-407	0.00	10,75,760	10,75,760	10.56	
	05-Jul-19	Sell	-1,710	-0.02	10,74,050	10,74,050	10.54	
	12-Jul-19	Sell	-2,325	-0.02	10,71,725	10,71,725	10.52	

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	19-Jul-19	Sell	-655	-0.01	10,71,070	10,71,070	10.51
	26-Jul-19	Sell	-2,770	-0.03	10,68,300	10,68,300	10.48
	02-Aug-19	Sell	-201	0.00	10,68,099	10,68,099	10.48
	09-Aug-19	Sell	-4,800	-0.05	10,63,299	10,63,299	10.44
	16-Aug-19	Sell	-4,500	-0.04	10,58,799	10,58,799	10.39
	23-Aug-19	Sell	-8,297	-0.08	10,50,502	10,50,502	10.31
	30-Aug-19	Sell	-3,570	-0.04	10,46,932	10,46,932	10.28
	06-Sep-19	Sell	-6,302	-0.06	10,40,630	10,40,630	10.21
	13-Sep-19	Sell	-7,906	-0.08	10,32,724	10,32,724	10.14
	20-Sep-19	Sell	-9,726	-0.10	10,22,998	10,22,998	10.04
	24-Sep-19	Sell	-2,880	-0.03	10,20,118	10,20,118	10.01
	27-Sep-19	Sell	-4,000	-0.04	10,16,118	10,16,118	9.97
	30-Sep-19	Sell	-4,000	-0.04	10,12,118	10,12,118	9.93
	04-Oct-19	Sell	-3,298	-0.03	10,08,820	10,08,820	9.90
	11-Oct-19	Sell	-7,460	-0.07	10,01,360	10,01,360	9.83
	18-Oct-19	Sell	-3,523	-0.03	9,97,837	9,97,837	9.79
	25-Oct-19	Sell	-1,296	-0.01	9,96,541	9,96,541	9.78
	01-Nov-19	Sell	-2,033	-0.02	9,94,508	9,94,508	9.76
	08-Nov-19	Sell	-2,500	-0.02	9,92,008	9,92,008	9.74
	15-Nov-19	Sell	-750	-0.01	9,91,258	9,91,258	9.73
	22-Nov-19	Sell	-2,832	-0.03	9,88,426	9,88,426	9.70
	29-Nov-19	Sell	-3,896	-0.04	9,84,530	9,84,530	9.66
	06-Dec-19	Sell	-6,050	-0.06	9,78,480	9,78,480	9.60
	13-Dec-19	Sell	-11,291	-0.11	9,67,189	9,67,189	9.49
	20-Dec-19	Sell	-6,100	-0.06	9,61,089	9,61,089	9.43
	27-Dec-19	Sell	-17,389	-0.17	9,43,700	9,43,700	9.26
	31-Dec-19	Sell	-1,886	-0.02	9,41,814	9,41,814	9.24
	10-Jan-20	Sell	-4,760	-0.05	9,37,054	9,37,054	9.20
	17-Jan-20	Sell	-10,000	-0.10	9,27,054	9,27,054	9.10
	24-Jan-20	Sell	-25,000	-0.25	9,02,054	9,02,054	8.85
	31-Jan-20	Sell	-73,929	-0.73	8,28,125	8,28,125	8.13
	07-Feb-20	Sell	-27,300	-0.27	8,00,825	8,00,825	7.86
	14-Feb-20	Sell	-10,000	-0.10	7,90,825	7,90,825	7.76
	21-Feb-20	Buy	500	0.00	7,91,325	7,91,325	7.77
	28-Feb-20	Sell	-1,800	-0.02	7,89,525	7,89,525	7.75
	05-Mar-20	Sell	-655	-0.01	7,88,870	7,88,870	7.74
	31-Mar-20	Buy	1,000	0.01	7,89,870	7,89,870	7.75
C	At the end of the year		7,89,870	7.75			
2	Onkar Singh						
A	At the beginning of the year		1,00,120	0.98	100120		0.98
B	Changes during the year		No Change				
C	At the end of the year		100120	0.98			
3	Avinash Sudhakar Foujdar						
A	At the beginning of the year		35000	0.34	35000		0.34
B	Changes during the year						
	Date	Reason					
	12-Apr-19	Buy	12,799	0.13	47,799	47,799	0.47
	19-Apr-19	Buy	2,201	0.02	50,000	50,000	0.49
	26-Apr-19	Buy	2,250	0.02	52,250	52,250	0.51
	24-May-19	Buy	750	0.01	53,000	53,000	0.52
	14-Jun-19	Buy	2,454	0.02	55,454	55,454	0.54
	21-Jun-19	Buy	7,546	0.07	63,000	63,000	0.62
	22-Nov-19	Buy	1,600	0.02	64,600	64,600	0.63
	29-Nov-19	Buy	8,400	0.08	73,000	73,000	0.72
	20-Dec-19	Buy	5,316	0.05	78,316	78,316	0.77
	27-Dec-19	Buy	4,684	0.05	83,000		0.81
	31-Dec-19	Buy	2,438	0.02	85,438		0.84
C	At the end of the year		85,438	0.84			
4	Bank of Baroda						

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A	At the beginning of the year		77,500	0.76	77500		0.76
B	Changes during the year	No Change					
C	At the end of the year		77,500	0.76			
5	Mr. Chimanlal Mohanlal Rana						
A	At the beginning of the year		72080	0.71	72080		0.71
B	Changes during the year						
	Date	Reason					
	05-Apr-19	Buy	2,544	0.02	74,624	74,624	0.73
	26-Apr-19	Sell	-1,275	-0.01	73,349	73,349	0.72
	03-May-19	Sell	-150	0.00	73,199	73,199	0.72
	21-Jun-19	Buy	315	0.00	73,514	73,514	0.72
	05-Jul-19	Buy	121	0.00	73,635	73,635	0.72
	26-Jul-19	Sell	-350	0.00	73,285	73,285	0.72
	02-Aug-19	Buy	22	0.00	73,307	73,307	0.72
	09-Aug-19	Buy	786	0.01	74,093	74,093	0.73
	16-Aug-19	Sell	-1,550	-0.02	72,543	72,543	0.71
	23-Aug-19	Sell	-1,503	-0.01	71,040		0.70
	06-Sep-19	Sell	-400	0.00	70,640		0.69
	27-Sep-19	Buy	350	0.00	70,990		0.70
	04-Oct-19	Sell	-113	0.00	70,877		0.70
	18-Oct-19	Sell	-700	-0.01	70,177		0.69
	08-Nov-19	Sell	-2,000	-0.02	68,177		0.67
	24-Jan-20	Sell	-2,000	-0.02	66,177		0.65
	14-Feb-20	Buy	1,265	0.66	67,442	67,442	0.66
C	At the end of the year		67442	0.66			
6	Mr. Sohrab Chhawcharia						
A	At the beginning of the year		0	0	0		0
B	Changes during the year						
	Date	Reason					
	31-Jan-20	Buy	47,000	0.46	47,000	47,000	0.46
	07-Feb-20	Buy	15,000	0.15	62,000	62,000	0.61
C	At the end of the year		62000	0.50			
7	Mr. Nishant R Parikh						
A	At the beginning of the year		28893	0.28	28893		0.28
B	Changes during the year						
	Date	Reason					
	05-Apr-19	Buy	1,437	0.02	30,330	30,330	0.30
	19-Apr-19	Buy	720	0.01	31,050	31,050	0.30
	17-May-19	Buy	1,150	0.01	32,200	32,200	0.32
	24-May-19	Buy	350	0.00	32,550	32,550	0.32
	30-Aug-19	Buy	3,450	0.03	36,000	36,000	0.35
	06-Sep-19	Buy	450	0.00	36,450	36,450	0.36
	17-Jan-20	Buy	6,550	0.06	43,000	43,000	0.42
	24-Jan-20	Buy	4,000	0.04	47,000	47,000	0.46
	31-Jan-20	Buy	3,564	0.04	50,564	50,564	0.50
	07-Feb-20	Buy	545	0.01	51,109	51,109	0.50
	28-Feb-20	Buy	6,500	0.06	57,609	57,609	0.57
	05-Mar-20	Buy	2,000	0.02	59,609	59,609	0.59
	27-Mar-20	Buy	500	0.00	60,109	60,109	0.59
C	At the end of the year		60109	0.59			

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8	Mr. Sanjay Kanhaiyalal Shah				-		-
A	At the beginning of the year	0	0		0		0
B	Changes during the year						
	Date	Reason					
	31-Jan-20	Buy	4,850	0.05	4,850		0.05
	07-Feb-20	Buy	4,900	0.05	4,900		0.10
	14-Feb-20	Buy	4,300	0.04	4,300	4,300	0.14
	21-Feb-20	Buy	2,000	0.02	2,000	2,000	0.16
	28-Feb-20	Buy	11,650	0.11	11,650	11,650	0.27
	05-Mar-20	Buy	7,500	0.07	7,500		0.35
	06-Mar-20	Buy	200	0.00	200		0.35
	20-Mar-20	Buy	11,100	0.11	11,100		0.46
	27-Mar-20	Buy	3,500	0.03	3,500		0.49
C	At the end of the year		50,000	0.49			
9	Mr. Rajesh Joseph				-		-
A	At the beginning of the year	100000	0.98		100000		0.98
B	Changes during the year						
	Date	Reason					
	26-Apr-19	Sell	-50,000	-0.49	50,000	50,000	0.49
	09-Aug-19	Buy	1,100	0.01	51,100	51,100	0.50
	16-Aug-19	Buy	547	0.01	51,647	51,647	0.51
	23-Aug-19	Buy	253	0.00	51,900		0.51
	30-Aug-19	Buy	6,385	0.06	58,285		0.57
	13-Sep-19	Buy	1,160	0.01	59,445		0.58
	20-Sep-19	Buy	705	0.01	60,150		0.59
	24-Sep-19	Buy	100	0.00	60,250		0.59
	11-Oct-19	Buy	1,349	0.01	61,599		0.60
	10-Jan-20	Sell	-470	0.00	61,129		0.60
	17-Jan-20	Sell	-11,129	-0.11	50,000	50,000	0.49
C	At the end of the year		50000	0.49			
10	Chandulal M Rana HUF						
A	At the beginning of the year	37917	0.37		37917		0.37
B	Changes during the year						
	Date	Reason					
	10-May-19	Sell	-96	0.00	37,821	37,821	0.37
	24-May-19	Buy	1,113	0.01	38,934		0.38
	31-May-19	Buy	220	0.00	39,154		0.38
	14-Jun-19	Buy	2,111	0.02	41,265	41,265	0.41
	21-Jun-19	Buy	50	0.00	41,315	41,315	0.41
	12-Jul-19	Buy	4,664	0.05	45,979	45,979	0.45
	26-Jul-19	Buy	500	0.00	46,479		0.46
	16-Aug-19	Sell	-979	-0.01	45,500		0.45
	20-Sep-19	Buy	971	0.01	46,471		0.46
	24-Sep-19	Buy	3,529	0.03	50,000		0.49
	04-Oct-19	Buy	67	0.00	50,067		0.49
	27-Mar-20	Sell	-267	0.00	49,800		0.49
C	At the end of the year		49800	0.49			

Lactose (India) Limited

VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	(Amount in Rs. Lakhs)
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A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Mr. Atul Maheshwari	Mrs. Sangita Maheshwari		
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	80.83	52.67	-	133.5
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	80.83	52.67	-	133.5
	Ceiling as per the Act	*108	*108	-	-

* Company in the AGM meeting held 30th September 2019 has revised the remuneration to Rs. 1,08,00,00/-

B.

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non Executive Directors	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	-	-	-	-
3	Other Executive Director	-	-	-	-
	Total (3)	-	-	-	-
	Total (B)=(1+2+3)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act.	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/WTD

(Amount in Rs. Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Ms. Riddhi Sidhpura (upto 07.01.2020)	Company Secretary Mr. Ritesh Pandey (w.e.f 10.01.2020)	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1.80	1.57	3.37
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others, please specify	-	-	-
		-	-	-
	Total	1.80	1.57	3.37

V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	3,628.32	30.26	-	3,658.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.33	-	0.33
Total (i+ii+iii)	3,628.32	30.59	-	3,658.91
Change in Indebtedness during the financial year				
Additions	3,788.83	51.43	-	3,840.26
Reduction	3,715.50	73.74	-	3,789.24
Net Change	73.33	-22.31	-	51.02
Indebtedness at the end of the financial year				
i) Principal Amount	3,701.65	7.95	-	3,709.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	17.43	0.11	-	17.54
Total (i+ii+iii)	3,719.08	8.07	-	3,727.15

Note :- Above figure does not includes working capital loan

Lactose (India) Limited

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For Lactose (India) Limited

Sd/-
(Atul Maheshwari)
Managing Director
DIN: 00255202

Address: 1302, Spring
Tower, ICCGD Ambekar
Marg, Next to Wadala
Telephone Exchange,
Dadar East, Mumbai 400014

Sd/-
(Sangita Maheshwari)
Whole-time Director & CFO
DIN: 00369898

Address: 1302, Spring
Tower, ICCGD Ambekar
Marg, Next to Wadala
Telephone Exchange, Dadar
East, Mumbai 400014

Date: 13th August 2020

Place: Mumbai

ANNEXURE 'E'

REPORT ON CORPORATE GOVERNANCE

1. STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company is committed to adopt the best governance practices and its adherence in true spirit at all times. It has strong legacy of fair, transparent and ethical governance practices.

The Company has adopted a code of conduct which is applicable to all employees. The Company also has in place a code for preventing insider trading.

The Company is fully in compliance with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (referred to as "Listing Regulations").

2. BOARD OF DIRECTORS:

The Board of Directors ("the Board") of your Company is responsible for and is committed to sound principles of the corporate governance in the Company. The Board plays a crucial role in overseeing how the management serves the interest of the Shareholders and other Stakeholders. This belief is reflected in our governance practice, under which we strive to maintain an effective, informed and independent Board to ensure best practice.

• Composition and Category of Directors:

The composition of the Board is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act'). As on 31st March, 2020, the Board comprised of Six Directors consisting of two Executive Director including one women Director and three Non-Executive Independent Directors, one Non-Executive Director. None of the Non-Executive Director is responsible for day-to-day affairs of the Company.

b) The Composition and Category of the Board of Directors during the FY 2019-20 was as follows:

Name of the Directors	Category
Mr. Atul Maheshwari	Managing Director
Mrs. Sangita Maheshwari	Whole-time Director & CFO
Mr. G. K. Sarda	Non - Executive Independent Director
Mr. Pramod Kalani	Non - Executive Independent Director
Mr. Mahendra Singhi Omprakash	Non - Executive Independent Director
Mr. Shyamsunder B. Toshniwal	Non-Executive Director & Chairman

c) Meetings and Attendance:

The Company's Governance Policy, which is in pursuance with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is strictly followed by the Board. The Board meets at regular intervals to discuss and decide on Company's business policy along with the other Board business. However, in case of a special and urgent business need, the Board approval is taken by passing resolution by circulation, as permitted by law, which is then confirmed in the ensuing Board Meeting.

d) Six Board Meetings were held during the financial year 2019-20 complying with the requirement of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The maximum interval between any two consecutive Board meetings was well within the allowable gap of one hundred and twenty days. The dates on which the meetings were held are as mentioned below:

Sr. No.	Date of Board Meeting held
1.	28 th May, 2019
2.	05 th August, 2019
3.	14 th August, 2019
4.	13 th November, 2019
5.	15 th January, 2020
6.	05 th February, 2020

Information placed before the Board:

The Board were provided with all the required information wherever applicable and materially significant. The information is submitted either as a part of agenda papers or is tabled in the course of the meeting for enabling them to give their valuable inputs.

The following are tabled for the Board's periodic review/information/approval:

- Annual Operating Plans of business and any updates thereon;

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- Quarterly Results of the Company along with the operating divisions or business segments;
- Status of legal compliances;
- Formation/Re-constitution of the Board Committees;
- Minutes of audit committee and other committees of the board;
- Inter-Corporate Investment, Loans and Guarantees;
- Appointment / Resignation of Directors/ Senior Managerial Personnel/ Key Managerial Personnel;
- General Notice of Interest of Directors;

e) **Attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorship and Chairmanship/Membership of Committees of each Director in various Companies are as under:**

Name of the Director	Category of Directorship	No. of Shares held	Attendance at Meetings held during financial year 2019-20		Directorship in other Indian Public Limited Companies	No. of Committees position held in other companies		Directorship in other listed Companies and Category of Directorship
			Board Meetings	Last AGM		Chairman	Member	
Mr. Atul Maheshwari	Managing Director	9,48,510	6	Present	1	2	-	Photoquip India Ltd. Non-Executive - Independent Director
Mrs. Sangita Maheshwari	Whole time Director and Chief Financial Officer	11,27,410	6	Present	-	-	-	-
Mr. G. K. Sarda	Non Executive Independent Director	1,100	6	Present	-	3	2	-
Mr. Pramod Kalani	Non Executive Independent Director	-	6	Present	-	-	3	-
Mr. Mahendra Singhi Omprakash	Non Executive Independent Director	500	6	Present	-	-	5	-
Mr. Shyamsunder B. Toshniwal	Non Executive Director	9,08,073	6	Present	-	-	-	-

•The Company had issued convertible warrants, but however due to COVID 19 pandemic couldn't allot it.

Board Agenda:

Meetings are governed by structured Agenda. The Board Members in consultation with the Chairman may bring up any matter for the consideration before the Board. Agenda working papers are circulated to the members of the Board at least seven working days prior to the date of the Board Meeting.

There is also a system of post meeting follow up, review & reporting process of the action /pending on decisions of the Board or its committee till the final implementation stage.

Post-Meeting follow-up mechanism

An effective post meeting follow-up, review and reporting process for the decisions taken by the Board or its Committees are promptly communicated to all those concerned in the Company. Action Taken Report on the progress of the Company is placed at the succeeding Meeting of the Board/ Committee for noting.

f) **Familiarization programme for Independent Directors:**

The Board members are provided with the necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are also made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business were made at the Board Meetings held during the year.

g) Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 05th February, 2020 as required under Schedule IV to the Act (Code of Independent Directors) and Regulation 25(3) of the Listing Regulations. At the Meeting the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors; and
- Assessed the quality and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform the duties.

h) The web-link for details of familiarization programme imparted to Independent Directors : <https://www.lactoseindialimited.com/policy.php>

i) A chart or a matrix setting out the skills / expertise / competence of the Board of Directors along with disclosure of relationships between directors inter-se:

Name of Directors	Designation	Disclosure of Relationship	List of core skills/ expertise/ competence
Mr. Atul Maheshwari	Managing Director	Mrs. Sangita Maheshwari- Wife; Mr. Shyamsunder Toshniwal- Father-in-law	International Marketing/ Pharmaceuticals Company
Mrs. Sangita Maheshwari	Whole time Director and Chief Financial Officer	Mr. Shyamsunder Toshniwal- Father; Mr. Atul Maheshwari- Husband	Finance, Sales and Marketing
Mr. G. K. Sarda	Non Executive Independent Director	NA	Engineering
Mr. Pramod Kalani	Non Executive Independent Director	NA	Manufacturing of Pharmaceuticals
Mr. Mahendra Singhi Omprakash	Non Executive Independent Director	NA	Pharmaceuticals and International Marketing
Mr. Shyamsunder B. Toshniwal	Non Executive Director	Mrs. Sangita Maheshwari- Daughter; Mr. Atul Maheshwari- Son-in-law	Financial and Legal Matters

3. COMMITTEES OF THE BOARD:

Currently, there are 5 Board Committees – Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee and Sexual Harassment Prevention Committee. The terms of reference of these Committees are defined by the Board from time to time. Meeting of each Board Committee is convened by the respective Committee Chairman. The signed minutes of the Committee Meetings are placed before the Board for information and noting. Matters requiring Board's attention are generally discussed with the Board members. The role and composition of these Committees including the number of Meetings held during the financial year and their respective attendance details are provided below.

a) Audit Committee:

All the items listed in Regulation 18(3) read with Part C of Schedule II of the Listing Regulations and in Section 177 of the Act are covered in the terms of reference.

Terms of Reference:

- i. Oversight of the Company's financial reporting process and disclosure of its financial information;
- ii. Recommending to the Board the appointment, re-appointment and removal of statutory auditors, cost auditors, branch auditors and fixation of their remuneration;
- iii. Approval of payments to statutory auditors for any other services rendered by them;
- iv. Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board for approval, focusing primarily on:
 - Matters required to be included in the Director's Responsibility statement to be included in the Board Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Any changes in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on exercise of judgments by management;
 - Qualifications in draft audit report;

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- Significant adjustments made in the financial statements arising out of audit;
- The going concern assumption;
- Compliance with accounting standards;
- Compliance with listing and legal requirements concerning financial statements;
- All related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc.
- v. Reviewing with the management, statutory and internal auditors, internal financial controls and risk management system;
- vi. 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;
- vii. Reviewing with the management the quarterly and half yearly financial results before submission to the Board;
- viii. Reviewing the adequacy of internal audit functions, 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;
- ix. Scrutinizing the inter-corporate loans & investments;
- x. Discussion with Internal Auditors, any significant findings and follow up thereon;
- xi. 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;
- xii. Approval or any subsequent modification of transactions of the Company with related parties;
- xiii. To look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- xiv. Review and monitor the auditor's independence and performance, and effectiveness of audit processes;
- xv. To review the functioning of the Whistle Blower and Vigil mechanism;
- xvi. Valuation of undertaking or assets of the company wherever it is necessary;
- xvii. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xviii. All such other functions as may be specified from time to time;
- xix. 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;

Composition, Meetings and Attendance

The Audit Committee comprises of Three Directors, all of whom are Non-Executive Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Company Secretary acts as secretary to the committee in terms of Section 177 of Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the financial year 2019-20 Four Meetings were held on 28th May 2019, 14th August 2019, 13th November 2019 and 05th February 2020.

b) Stakeholders Relationship Committee

The Company has a Stakeholders' Relationship Committee and the terms of reference of the Stakeholders' Relationship Committee are in conformity with the provisions of Regulation 20 read with Schedule II Part D of the SEBI Listing Regulations and Section 178 of the Act.

This Committee is responsible for satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

Terms of Reference:

This Committee oversees redressal of Shareholders'/Investors' Grievances and is empowered to perform the following functions on behalf of the Board in relation to handling of Shareholder's/ Investors' Grievances. The Broad terms of reference and functions of the Stakeholders Relationship Committee are as follows:

- i. The Committee is entrusted with the responsibility to resolve the grievances of security holders.
- ii. The Committee monitors and reviews the performance and service standards of the Registrar and Share Transfer Agents of the Company and provides continuous guidance to improve the service levels for investors.
- iii. The Committee monitors implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- iv. The Stakeholders Relationship Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company.

Composition, Meetings and Attendance:

The Committee presently comprises of Three Directors, all the members are Independent Directors of whom are Non- Executive Independent Director.

During the financial year 2019-20 Four Meetings were held on 28th May 2019, 14th August 2019, 13th November 2019 and 05th February 2020.

Name of the Members	Category	No. of Meetings attended
Mr. G. K. Sarda	Chairman (Independent Non-Executive Director)	4
Mr. Pramod Kalani	Member (Independent Non-Executive Director)	4
Mr. Mahendra Singi Omprakash	Member (Independent Non-Executive Director)	4

Compliance Officer

The Company has appointed Mr. Ritesh Pandey, Company Secretary of the Company as a Compliance Officer of the Company w.e.f 10th January, 2020.

Shareholders'/Investors' Redressal

During the year under review, the Company had received various complaints for non-receipt of transferred Share Certificates, Annual Reports, Warrants etc. and all the Complaints were solved by the Company. Further no complaint is pending as on the closure of the financial year i.e. 31st March, 2020. To expedite these processes the Board has delegated necessary powers to the Registrar and Share Transfer Agents viz. M/s. Big Share Services Private Limited.

c) Nomination & Remuneration Committee

The Company has a Nomination and Remuneration Committee and the terms of reference are in conformity with the provisions of Regulation 19 read with Schedule II Part D of the SEBI Listing Regulations and Section 178 of the Act.

The Broad terms of reference and functions of the Nomination and Remuneration Committee are as follows:

Terms of Reference:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. 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 their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Composition, Meetings and Attendance:

The Nomination & Remuneration Committee comprises of Three Directors all of whom are Non-Executive Independent Directors. During the financial year 2019-20, Two (2) meetings of the Committee were held on 14th August 2019, 15th January 2020.

Name of the Members	Category	No. of Meeting Attended
Mr. G. K. Sarda	Chairman (Independent Non-Executive Director)	2
Mr. Pramod Kalani	Member (Independent Non-Executive Director)	2
Mr. Mahendra Singi Omprakash	Member (Independent Non-Executive Director)	2

Performance Evaluation Criteria:

Pursuant to the provisions of the Companies Act, 2013 and provisions of SEBI (Listing Obligation And Disclosure Requirement) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Stakeholder Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

Nomination & Remuneration Policy:

Pursuant to SEBI (Listing Obligation And Disclosure Requirement) Regulations, 2015 and upon recommendation by the Nomination & Remuneration Committee, the Board of Directors, had adopted the Nomination & Remuneration Policy. This Policy can be viewed on the Company's website viz. www.lactoseindialimited.com in the "Investors" Section.

The Nomination & Remuneration Policy aims at attracting and retaining high caliber talent. The policy of the Company is in consonance with the existing industry practice. The remuneration package of the Executive Directors is determined by the Nomination and Remuneration Committee within the permissible limits, subject to approval by the Board and Shareholders in the General Meeting and as per applicable provisions of the Companies Act, 2013. The Executive Directors are paid remuneration as fixed by the Board/ Shareholders, if any, however, the Non-Executive Independent Directors do not receive any remuneration except sitting fees.

Details of sitting fees paid to the Directors during the financial year 2019-20:

Name of Director	Sitting Fees (Rs.)
Mr. G. K. Sarda	NIL
Mr. Pramod Kalani	NIL
Mr. Mahendra Singi Omprakash	NIL

Details of Remuneration paid to the Managing Director & Whole-time Director during the financial year 2019-20:

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Sr. No.	Particulars of Remuneration	Mr. Atul Maheshwari	Mrs. Sangita Maheshwari
		Managing Director (Amount in Rs. Lakhs)	Whole-time Director (Amount in Rs. Lakhs)
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	80.33	52.67
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - As % of profit - Others, specify..	-	-
5.	Others, please specify	80.83	52.67
	Total		

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Directors during the year.

The Non-Executive Director of the Company do not hold any convertible instruments of the Company.

Remuneration of Non-Executive Directors:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him not exceeding the sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The criteria for making payment to Non-Executive Directors is available on company's website, web-link of which is: <https://www.lactoseindialimited.com/policy.php>

The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

d) Risk Management Committee

As per the Companies Act, 2013 and as part of good corporate governance the Company has constituted the Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

The Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management. It was specifically confirmed to the Committee by the MD and the CFO that the mitigation plans are finalized and up to date, owners are identified and the progress of mitigation actions are monitored. The Risk Management Committee met once in the

Financial Year.

The Risk Management Committee comprises of the following members:

Composition, Meetings and Attendance:

The Risk Management Committee consists of three Members and the Chairman is an Executive Director. During the Financial Year 2019-20, One (1) meeting of the Committee was held on 05th February 2020.

Name of the Members	Category	No. of Meeting Attended
Mr. Atul Maheshwari	Chairman (Managing Director)	1
Mr. G. K. Sarda	Member (Independent Non-Executive Director)	1
Mr. Mahendra Singhi Omprakash	Member (Independent Non-Executive Director)	1

e) Prevention of Sexual Harassment Committee:

The Company has constituted Prevention of Sexual Harassment Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review no complaint was filed before the said Committee.

Composition, Meetings and Attendance

Prevention of Sexual Harassment Committee consists of three Members and the Chairman is an Executive Director. During the Financial Year 2019-20, no meeting was held.

Name of the Members	Category	No. of Meeting Attended
Mr. Atul Maheshwari	Chairman (Managing Director)	0
Mr. G. K. Sarda	Member (Independent Non-Executive Director)	0
Mr. Mahendra Singhi Omprakash	Member (Independent Non-Executive Director)	0

4. GENERAL BODY MEETINGS

Annual General Meeting:

The Venue, Date, Time of the Annual General Meeting and Special Resolutions passed during the preceding three years are as follows:

2018-19

Venue: Village Poicha (Rania), Survey No. 6, Savli, District Vadodara – 391780

Date and Time: 30th September, 2019 at 12:30 p.m.

Special Resolutions passed:

- Continuing the Directorship of Mr. Shyamsunder

Toshhniwal, Non-Executive Director of the Company;

- Approved the re-appointment of Mr. Atul Maheshwari as a Managing Director for a further tenure of 5 years with effect from 01st October, 2019;
- Approved the re-appointment of Mrs. Sangita Maheshwari as a Whole time Director for a further tenure of 5 years with effect from 01st February, 2019;
- Approved re-appointment of Mr. Pramod Kalani as a Non-executive Independent Director for a further tenure of 5 years;
- Approved re-appointment of Mr. Gopal Krishna Sarda as Non-executive Independent Director for a further tenure of 5 years ;
- Approved re-appointment of Mr. Mahendra Singhi Omprakash as a Non-executive Independent Director for a tenure of 5 years ;
- Approved Related party transactions.

2017-18

Venue: Village Poicha (Rania), Survey No. 6, Savli, District Vadodara – 391780

Date and Time: 26th September, 2018 at 09:00 a.m.

Special Resolutions passed:

Continuing the Directorship of Mr. Shyamsunder Toshhniwal, Non-Executive Director of the Company.

2016-17

Venue: Village Poicha (Rania), Survey No. 6, Savli, District Vadodara – 391780

Date and Time: 09th August, 2017 at 04:00 p.m.

Special Resolutions passed:

Adoption of new set of Articles of Associations in place of Existing Articles of Associations.

Issue, Offer and Allot 10,60,000 Convertible Warrants on preferential basis.

5. MEANS OF COMMUNICATION

The quarterly results as reviewed and recommended by the Audit Committee are taken on record by the Board of Directors and submitted to the Stock Exchange in terms of the requirements of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. The Audited/ Unaudited Results are published in Business Standard, English daily and in Vadodara Samachar Gujarati daily being the regional language and also displayed on the website of the Company www.lactoseindialimited.com shortly after its submission to the Stock Exchange.

The Company's website is a comprehensive reference on Lactose's vision, mission, policies, corporate governance, investor relation, updates and news. The section on "Investor Relations" on the website serves to inform the shareholders, by giving complete financial details, shareholding pattern, information relating to Stock Exchange, Registrars, and Share Transfer Agents among others.

6. GENERAL SHAREHOLDER INFORMATION

6.1.	Annual General Meeting:		
	Day, Date and Time	:	Wednesday, 09 th September, 2020 at 11.00 a.m.
	Venue	:	Survey No. 6, Village Poicha (Rania) Savli, Vadodara Gujarat – 391780 through Video Conferencing or OAVM
6.2.	Financial Year 2020-21 – Board Meeting Calendar (Tentative):		
	Results for first quarter ended 30 th June, 2020	:	On or before 15 th September, 2020
	Results for second quarter ending 30 th September, 2020	:	On or before 14 th November, 2020
	Results for third quarter ending 31 st December, 2020	:	On or before 14 th February, 2021
	Results for financial year ending 31 st March, 2021	:	On or before 30 th May, 2021
6.3.	Book Closure date:	:	From Wednesday, 02 nd September, 2020 to Wednesday, 09 th September, 2020
6.4.	Dividend Payment Date	:	Not Applicable
6.5.	Listing on Stock Exchange:	:	BSE Limited Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, Mumbai, 400001 <i>(Listing Fees have been paid to the Exchange)</i>
6.6.	Stock Code:	:	524202
6.7.	Demat ISIN Number in NSDL and CDSL:	:	INE058I01013
6.8.	Registrar and Share Transfer Agents:	:	Bigshare Services Private Limited
6.9.	Share Transfer System:	:	Share Transfers and Share Certificates are processed and returned within 30 days from the date of receipt subject to the documents being valid and complete in all respects. A summary of transfers/transmission of securities of the Company from the Registrar and Transfer Agent is placed before every Stakeholders Relationship Committee Meeting.

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6.10	Plant Location:	:	Survey No. 6, Village Poicha (Rania) Savli, Vadodara Gujarat – 391780
6.11	Outstanding GDRs/ ADRs/Warrants or any Convertible Instruments:	:	The Company has not issued any ADR or GDR or warrants or any convertible instruments, which was likely to impact on equity share capital.

6.11 The Market Price Data of the Company are as given below:

Monthly High and Low price of the Company's shares with a face value of Rs. 10/- each for financial year 2019-2020 on BSE Limited are as under:

No.	Period	BSE Limited	
		High (Rupees)	Low (Rupees)
1.	April-19	35.50	27.00
2.	May-19	33.95	26.90
3.	June-19	31.90	21.00
4.	July-19	23.90	17.30
5.	August-19	30.80	17.05
6.	September-19	27.15	20.10
7.	October-19	21.10	16.55
8.	November-19	24.30	17.25
9.	December-19	18.90	14.35
10.	January-20	29.60	17.00
11.	February-20	26.90	18.95
12.	March-20	26.45	15.00

6.12 Share Price performance in comparison to broad-based indices – BSE Sensex during the year



6.13 Distribution of Shareholding as on 31st March, 2020

Distribution of Shares (Slab-Wise)	Shareholders		Share Amount (Rupees.)	
	Nos.	% of Total Nos.	Amt.	% of Total Amt.
Upto 5,000	15822	99.43%	3591915	35.25%
5,001-10,000	33	0.21%	240827	2.36%
10,001- & Above	58	0.36%	6356258	62.38%
Total	15913	100%	10189000	100%

Shareholding Pattern as on 31st March, 2020:

Category	No. of Shares	% of Shares
Indian Promoters	4371425	42.90%
Private Corporate Bodies	976133	9.58%
Indian Public	4735450	46.48%
NRIs/OBC	105992	1.04%
Total	10189000	100.00

Physical/NSDL/CDSL/Summary Report as on 31st March, 2020

Particulars	Number of Shares	% of Total Issued Capital
Held in Dematerialised form in CDSL	2352253	23.09%
Held in Dematerialised form in NSDL	5363408	52.64%
Physical	2473339	24.27%

6.14	Address for Correspondence:	
	(i) Investors Correspondence:	For Shares held in Physical Form
		Bigshare Services Private Limited. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400059
		For Shares held in Demat Form
		To the respective Depository Participants.

(ii) Any query on Annual Report:	Mr. Ritesh Pandey (Company Secretary and Compliance Officer) Lactose (India) Limited Survey No.6 Village Poicha(Rania) Savli Baroda 391780
(iii) E-mail ID for Investor Grievance	lil@lactoseindialimited.com
(iv) Corporate Website:	www.lactoseindialimited.com

5. DISCLOSURES

- a) The transactions entered into with Related Parties as defined under the Companies Act, 2013, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.
- b) The Company has complied with all the provisions of various Corporate Acts, Rules and Regulations made thereunder, including various regulations of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. However, the company had delayed in filing Investor grievance under regulation 13(3) by 1 day, for which company had paid the penalty of Rs. 1000/-. There has been no instance of non-compliance by the Company on any matter related to the Capital Markets, during the last three years.
- c) The Company has a Whistle Blower Policy in place. The Company takes cognizance of complaints and suggestions by employees and others. All the employees of the Company have free access to the Audit Committee of the Company.
- d) The Board of Directors has laid down a Code of Conduct for all the Board Members and Members of the Senior Management of the Company. In addition there is also a

Code of Conduct for Regulating, Monitoring and Reporting of Trading in shares of the Company by Designated Persons. A declaration from the Chairman affirming compliance of the said Code is annexed.

- e) The detailed policy on dealing with related party transactions is posted on the Company's website at <https://www.lactoseindialimited.com/> and can be accessed at web-link. <https://www.lactoseindialimited.com/pdf/annual-reports/Related-Party-Transaction-Policy.pdf>
- f) web link where policy for determining 'material' subsidiaries is <https://www.lactoseindialimited.com/pdf/annual-reports/Policy-on-material-Subsidiary.pdf>
- g) Sexual Harassment Policy:

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. Internal Complaints Committee set up for the purpose did not receive any complaints for redressal during the year.

- h) A Certificate from a Company Secretary in practice as required that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority. The certificate of Company Secretary in practice is annexed.

Code of Conduct for Board Members and Senior Management:

The Board has laid down the code of conduct for all the Board members and members of the Management of the Company. Additionally all independent directors of the company shall be bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder.

All the Board members and Management personnel have affirmed compliance with the code of conduct. The Code of Conduct is available on the website of the company.

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DECLARATION BY THE MANAGING DIRECTOR

I, Atul Maheshwari, Managing Director of Lactose (India) Limited, hereby declare that all the members of the Board of Directors and the Management Personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the Listing Regulations for the year ended 31st March, 2020.

For Lactose (India) Limited

SD/-
Atul Maheshwari
Managing Director
DIN: 00255202

Mumbai, _____

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mandatory Requirements:

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

CEO / CFO Certification:

The MD & CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

By Order of the Board

Date: 13.08.2020
Place : Mumbai

Regd. Office: :
Survey No. 6, Village Poicha (Rania),
Savli Vadodara, Gujarat - 391780

Sd/-
Atul Maheshwari
(Managing Director)
DIN: 00255202

AUDITORS' CERTIFICATE

The Members

Lactose (India) Limited

Survey No. 6, Village Poicha (Rania),

Savli, Dist. Vadodara, Gujarat – 391780

We have examined the compliance of conditions of Corporate Governance by Lactose (India) Limited ("the Company") for the year ended 31st March, 2020 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2020.

We further state that our examination of such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For CAS & Associates

Chartered Accountants

Firm Reg. No. 111075W

Nitesh Musahib

Partner

Membership No.- 131146

CERTIFICATE ON DIRECTORS' DISQUALIFICATION UNDER SECTION 164 OF THE COMPANIES ACT, 2013

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by Lactose (India) Limited having its Registered office at Survey No. 6, Village Poicha (Raina) Savli, Vadodara Gujarat- 391780 and Corporate office at G02, A Wing, Navbharat Industrial Estate, Zakaria Bunder Road, Sewri (West), Mumbai 400 015 and also the information provided by the Company, its officers, agents and authorized representatives, I hereby report that during the Financial Year ended on 31st March, 2020 in my opinion, none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

For Jajodia and Associates

Practicing Company Secretaries

Sd/-

Mrs. Priti Jajodia
Proprietor
COP: 19900

INDEPENDENT AUDITOR'S REPORT

**To the Members of Lactose India Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the accompanying financial statements of Lactose India Limited ("the Company"), which comprises the balance sheet as at 31st March 2020, and the statement of Profit and Loss (Including Other Comprehensive Income), statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, and its profit and other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Other Information

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report

in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income) changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
2. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 4. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We draw attention to Note no. 38 to the Financial Statements, which describes the uncertainties due to the outbreak of SARS-CoV-2 virus (COVID-19). In view of these uncertainties, the impact on the Company's financial statements is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in Annexure A, as required by

Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit & Loss (including other comprehensive income), the statement of changes in Equity, and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements (refer note no 31 of the Financial Statements)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
3. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us

For C A S & Co
(Formerly known as K.M. Tulsian & Associates)
Chartered Accountants
FRN. 111075W

Sd/-

Nitesh Musahib
Partner

Place: Mumbai **Mem. No. 131146**
Date: 30th June, 2020 **UDIN No:- 20131146AAAABZ8171**

Lactose (India) Limited

Annexure "A" to Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the company on the financial statements for the year ended 31st March 2020, we report the following

- (i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the company and the nature of its assets. In accordance with this program certain fixed assets were verified during the year. The frequency of verification is reasonable and no discrepancies have been noticed on such physical verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties included in the 'Property, plant & equipment' are held in the name of the Company.
- (ii) The inventories have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable. The company has maintained proper records of inventory. Discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, Section 185 & 186 of the Companies Act, 2013 is not applicable since the company has not granted any loan, made any investment and provided any guarantee or security.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly the provision of clause 3(v) of the order are not applicable.
- (vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost record under Section 148 of the Act, for the company.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise

or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Amount involved (Rs in lakhs)	Amount paid (Rs in lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	20.23	3.03	A.Y. 2013-14	The Commissioner of Income Tax Appeal (Mumbai)

- (viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institution.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion the term loan were applied for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standard.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For C A S & Co
(Formerly known as K.M. Tulsian & Associates)
Chartered Accountants
FRN. 111075W

Sd/-

Nitesh Musahib

Mem. No. 131146

PartnerPlace: Mumbai

Date: 30th June, 2020

UDIN No:- 20131146AAAABZ8171

Annexure “B” to the Independent Auditor’s Report on the financial statements of Lactose India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

(Referred to in paragraph 1(A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

We have audited the internal financial controls with reference to the financial statement of Lactose India Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The Company’s management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”)

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the financial statement. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to Financial statements included obtaining an understanding of internal financial controls, assessing the risk that a

material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to the financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company’s internal financial controls with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For C A S & Co
(Formerly known as K.M. Tulsian & Associates)
Chartered Accountants
FRN. 111075W**

Sd/-

**Nitesh Musahib
Mem. No. 131146**

**PartnerPlace: Mumbai
Date: 30th June, 2020 UDIN No:- 20131146AAAABZ8171**

Lactose (India) Limited

BALANCE SHEET AS AT 31 MARCH 2020

(₹ in lakhs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3A	6,098.73	6,038.81
Right of use Assets	3B	80.19	-
Intangible Asset	3C	3.49	-
Capital work-in-progress	3D	23.30	148.17
Investment Property	4	-	-
Financial assets			
Investments	5	6.65	7.70
Other Financial Assets	6	108.96	79.02
Other non-current assets	7	32.01	124.31
Total non-current assets		6,353.33	6,398.01
Current assets			
Inventories	8	890.85	811.06
Financial assets			
Trade receivables	9	698.12	687.35
Cash and cash equivalents	10	164.97	68.87
Bank balances other than Cash and cash equivalents	11	23.12	24.68
Other Financial Assets	6	12.69	15.39
Other current assets	7	69.49	42.19
Income tax assets (net)	12	113.81	119.88
Total current assets		1,973.06	1,769.42
TOTAL ASSETS		8,326.38	8,167.43
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	1,018.90	1,018.90
Other equity		2,409.69	2,406.08
Total equity		3,428.59	3,424.98
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14	3,367.77	3,150.46
Lease Liability	15	49.54	-
Provisions	16	72.36	55.54
Deferred Tax Liabilities	17	127.87	128.44
Other non-current liabilities	18	139.62	197.39
Total non-current liabilities		3,757.17	3,531.83
Current liabilities			
Financial liabilities			
Borrowings	14	152.96	14.55
Trade payables	19		
- Total outstanding dues to micro enterprise and small enterprise		34.30	111.68
- Total outstanding dues to creditors other than micro enterprise and small enterprise		347.00	399.38
Lease Liability	15	31.99	-
Other financial liabilities	20	359.68	523.24
Provisions	16	6.69	5.04
Other current liabilities	18	208.00	156.73
Total current liabilities		1,140.62	1,210.62
TOTAL EQUITY AND LIABILITIES		8,326.38	8,167.43
Notes 1 to 39 form an integral part of the financial statements			

This is the Balance Sheet referred to in our audit report of even date

For C A S & CO.

(formerly known as K.M. Tulsian & Associates)

Chartered Accountants

Firm Registration No.111075W

For and on behalf of the Board of Directors

LACTOSE (INDIA) LIMITED

CIN : L15201GJ1991PLC015186

Sd/-

Nitesh Musahib

Partner

Mem. No. 131146

Place: Mumbai

Date: 30th June, 2020

Sd/-

Atul Maheshwari

Managing Director

DIN 00255202

Place: Mumbai

Date: 30th June, 2020

Sd/-

Sangita Maheshwari

Whole Time Director & C.F.O.

DIN- 00369898

Sd/-

Ritesh Pandey

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakhs)

Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
INCOME			
Revenue from Operations	21	4,004.85	4,060.84
Other Income	22	29.54	42.46
Total Income		4,034.40	4,103.30
EXPENSES			
Cost of materials consumed	23	547.09	559.67
Purchase of Stock-in-Trade	24	164.22	210.46
Excise Duty		-	
Changes in Inventories of finished goods and Work in progress	25	(13.96)	0.55
Employee benefits expense	26	1,320.91	1,235.46
Finance costs	27	555.70	535.35
Depreciation and amortisation expense	3	390.63	360.38
Other expenses	28	1,059.86	1,093.99
Total expenses		4,024.46	3,995.86
Profit / (Loss) before tax		9.94	107.44
Tax expense/ (credit)			
Current tax		1.55	20.73
Tax for earlier years		0.37	-
Deferred tax liability / (assets)		0.82	14.69
Total Tax expense/ (credit)		2.73	35.42
Profit/ (loss) for the year (A)		7.21	72.02
Other comprehensive income (OCI)			
Items not to be reclassified subsequently to profit or loss			
- Remeasurement of post employment benefit obligation		(4.98)	(1.67)
- Income tax effect on above		1.39	0.46
Items that will be reclassified subsequently to profit or loss			
		-	-
Other comprehensive income for the year, net of tax (B)		(3.60)	(1.20)
Total comprehensive income/ (loss) for the year, net of tax (A+B)		3.61	70.82
Earnings per share (EPS)	29		
(per equity share of nominal value Rs. 10 each)			
Basic and diluted (in Rs.)		0.07	0.71
Notes 1 to 39 form an integral part of the financial statements			

This is the statement of profit and loss referred to in our audit report of even date

For C A S & CO.
(formerly known as K.M. Tulsian & Associates)
Chartered Accountants
Firm Registration No.111075W

For and on behalf of the Board of Directors
LACTOSE (INDIA) LIMITED
CIN : L15201GJ1991PLC015186

Sd/-
Nitesh Musahib
Partner
Mem. No. 131146
Place: Mumbai
Date: 30th June, 2020

Sd/-
Atul Maheshwari
Managing Director
DIN 00255202
Place: Mumbai
Date: 30th June, 2020

Sd/-
Sangita Maheshwari
Whole Time Director & C.F.O.
DIN- 00369898

Sd/-
Ritesh Pandey
Company Secretary

Lactose (India) Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / profit before tax	9.94	107.44
Adjustments for		
Depreciation and amortisation expense	390.63	360.38
Interest expenses (including fair value change in financial instruments)	552.99	535.35
Interest income	(17.08)	(21.77)
Provision made for expected credit loss	4.25	-
Remeasurement of post employment benefit obligation	(4.98)	(1.67)
Gain / loss on fair value of investment	1.05	-
Profit on sale of Investment	-	(6.39)
Loss on sale of Fixed Asset	1.64	-
Operating profit before working capital changes	938.44	973.35
Adjustments for changes in working capital:		
Decrease / (increase) in Inventories	(79.79)	(97.86)
Decrease / (increase) in Trade Receivables	(15.03)	(149.06)
Decrease / (increase) in Other financial assets	(27.24)	(7.97)
Decrease / (increase) in Other assets	65.01	39.59
(Decrease) / increase in Trade and other payables	(129.75)	(6.55)
(Decrease) / increase in Other financial Liabilities	(10.12)	(107.55)
(Decrease) / increase in Other liabilities	(6.50)	(91.70)
(Decrease) / increase in Short Term Provisions	1.66	2.01
(Decrease) / increase in Long Term Provisions	16.82	6.97
Cash generated from / (used in) operations	753.49	561.23
Direct taxes paid (net of refunds received)	4.11	(67.84)
Net cash (used in) / from generated from operating activities (A)	757.60	493.39
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property,plant and equipments/CWIP	(307.20)	(206.07)
Proceeds from sale of Property,plant and equipments	0.68	0.00
Capital Advance (given) / received	-	12.86
Fixed Deposits with Banks	1.56	(13.96)
Movement in Investment	-	4.92
Interest received	17.08	21.77
Net cash (used in) / generated from investing activities (B)	(287.87)	(180.49)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from long-term borrowings (net)	63.88	(168.98)
Proceeds/(Repayment) from short-term borrowings (net)	138.41	14.55
Payment of Lease Liabilities (Refer note 2.26 and note 34 as Ind AS 116 applicable from 1st April, 2019)	(22.93)	
Proceeds from issue of Share Warrants	-	177.86
Interest paid	(552.99)	(535.35)
Net cash (used in) / from financing activities (C)	(373.64)	(511.92)
Net decrease in cash and cash equivalents (A+B+C)	96.09	(199.01)
Cash and cash equivalents at the beginning of the year	68.87	267.88
Cash and cash equivalents at the end of the year	164.96	68.87
Components of cash and cash equivalents considered only for the purpose of cash flow statement		
In bank current accounts in Indian rupees	157.79	53.92
Cash on hand	7.18	14.95
	164.96	68.87

Note :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

Notes 1 to 39 form an integral part of the financial statements

This is the Cash Flow Statement referred to in our audit report of even date

For C A S & CO.
(formerly known as K.M. Tulsian & Associates)
Chartered Accountants
Firm Registration No.111075W

For and on behalf of the Board of Directors
LACTOSE (INDIA) LIMITED
CIN : L15201GJ1991PLC015186

Sd/-
Nitesh Musahib
Partner
Mem. No. 131146
Place: Mumbai
Date: 30th June, 2020

Sd/-
Atul Maheshwari
Managing Director
DIN 00255202
Place: Mumbai
Date: 30th June, 2020

Sd/-
Sangita Maheshwari
Whole Time Director & C.F.O.
DIN- 00369898

Sd/-
Ritesh Pandey
Company Secretary

Lactose (India) Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A) Equity share capital

Particulars	Number	(₹ in lakhs)
Equity shares of Rs.10 each issued, subscribed and paid		
Balance as at 1 April 2018	1,00,39,000	1,003.90
Issue of Equity Share	1,50,000	15.00
Balance as at the 31 March 2019	1,01,89,000	1,018.90
Issue of Equity Share	-	-
Balance as at the 31 March 2020	1,01,89,000	1,018.90

B) Other equity

Particulars	Reserves and surplus			Other Comprehensive Income	Money received against share warrants	Total equity attributable to equity holders
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Remeasurement of Defined Benefit Plans		
Balance as at 1 April 2018	75.00	822.39	1,207.65	8.07	59.29	2,172.40
Converted to Equity Shares	-	-	-	-	(237.15)	(237.15)
Received during the year	-	222.15	-	-	177.86	400.01
Total comprehensive income for the year	-	-	72.02	(1.20)	-	70.82
Balance as at 31 March 2019	75.00	1,044.54	1,279.67	6.87	-	2,406.08
Total comprehensive income for the year	-	-	7.21	(3.60)	-	3.61
Balance as at 31 March 2020	75.00	1,044.54	1,286.88	3.27	-	2,409.69

Nature and purpose of reserves

I Capital reserve

The capital reserve is created on account of subsidy received from Government of India.

II Securities premium reserve

Securities premium is received pursuant to the further issue of equity shares at a premium net of the share issue expenses. This is a non-distributable reserve except for the following instances where the the share premium account may be applied;

- towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;
- for the purchase of its own shares or other securities;
- in writing off the preliminary expenses of the Company;
- in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and
- in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

Notes 1 to 39 form an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our audit report of even date

For C A S & CO.

(formerly known as K.M. Tulsian & Associates)
Chartered Accountants
Firm Registration No.111075W

For and on behalf of the Board of Directors

LACTOSE (INDIA) LIMITED
CIN : L15201GJ1991PLC015186

Sd/-

Nitesh Musahib

Partner

Mem. No. 131146

Place: Mumbai

Date: 30th June, 2020

Sd/-

Atul Maheshwari

Managing Director

DIN 00255202

Place: Mumbai

Date: 30th June, 2020

Sd/-

Sangita Maheshwari

Whole Time Director & C.F.O.

DIN- 00369898

Sd/-

Ritesh Pandey

Company Secretary

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

1. Company Overview:

Lactose (India) Limited ("the Company") is a listed public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is a Pharmaceutical Company and engaged in the Business of Manufacturing, trading and carrying out job work and manufacturing of Pharmaceutical Products. The equity of the Company is listed on the Bombay Stock Exchange.

The financial statements of the Company for the year ended 31 March 2020 were authorized for issue in accordance with resolution of the Board of Directors on 30th June, 2020.

2. Statement of Significant Accounting Policies:

2.1 Basis of preparation of financial statements:

The Ind AS Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Ind AS Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Rupees, except when otherwise indicated.

2.2 Use of estimates:

The preparation of the Ind AS financial statements of the Company in accordance with Indian Accounting Standards (Ind-AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities at the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions; however uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amounts of assets or liabilities in future periods. Appropriate revisions in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions in estimates are recognized prospectively in the financial statements in the period in which the estimates are revised in any future periods affected.

2.3 Fair Value Measurement:

The Company measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial asset and liabilities.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company uses valuation techniques, which are appropriate in circumstances and for which sufficient data is available considering the expected loss/ profit in case of financial assets or liabilities.

2.4 Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization and when the revenue can be reliably measured.

Revenue from sale of goods is recognized when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.

Revenue from the sale of goods is net-off returns, taxes or duties collected on behalf of the government and applicable trade discounts and rebates.

Revenue from services rendered, is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Revenue in respect of export sales is recognized on the basis of dispatch of goods for exports. (i.e. on the date of Bill of Lading).

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY
INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reasonably.

Other Income is accounted for on accrual basis, when certainty of receipt is established.

2.5 Inventories

Inventories of Raw Materials, Finished Goods, Semi-Finished Goods, Stores and Spares and Packing Materials, are valued at cost or net realizable value, whichever is lower. Materials-in-transit are valued at cost-to-date. Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on FIFO basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

2.6 Property, Plant and Equipment (PPE):

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment. In other cases, the spare part is inventorised on procurement and charged to the Statement of Profit and Loss on consumption.

An item of property, plant and equipment and any significant part initially recognised separately as part of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at regular intervals and changes, if any, are accounted in line with revisions to accounting estimates.

2.7 Capital Work in Progress

Cost of assets not ready for use at the balance sheet date is disclosed under capital work-in-progress. Expenditure during construction period is included under Capital Work in Progress & the same is allocated to the respective PPE on the completion of its construction.

2.8 Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

2.9 Borrowing costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

2.10 Depreciation

Depreciation on Plant, Property and Equipment has been provided on the Straight - Line basis, over the estimated useful lives of assets. The Company provides pro-rata depreciation from the date of addition / up to the date of deletion made during the reporting period. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposal of the asset and the resultant gains or losses are recognized in the statement of Profit and Loss.

The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

2.11 Impairment of Non - financial Assets:

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

2.12 Government Subsidy

Grants and subsidies from the Government are recognized if the following conditions are satisfied,

- There is reasonable assurance that the Company will comply with the conditions attached to it.
- Such benefits are earned and reasonable certainty exists of the collection.

Government grants related to revenue are recognized on a systematic basis in net profit in the statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

2.13 Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a) Current Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b) Deferred tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

c) Minimum Alternate Tax

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

2.14 Financial Assets

a) Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the statement

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

of Profit and Loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Asset at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Asset Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.15 Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

b) Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

(i) Financial Liabilities at fair value through profit or loss (FVTPL)

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

(ii) Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities other than those which are classified as fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.16 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.17 Employee Benefits

a) Short-term employee benefit

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

b) Post-employment obligations

The Company operates the following post – employment schemes:

1. Defined benefit plans such as gratuity, and
2. Defined contribution plans such as provident fund.

Gratuity Obligation:

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report

Defined Contribution Plans

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions..

2.18 Foreign Exchange Translation and Accounting of Foreign Exchange Transaction

a) Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

b) Conversion :

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

c) Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.

2.19 Provisions, Contingent Liabilities and Capital Commitments

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed in the financial statements.

2.20 Earnings per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

2.21 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act

2.22 Cash and Cash equivalents

Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.23 Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.24 Trade Receivable

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

2.25 Trade payable

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

2.26 Leases

Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 3 : Property, plant and equipment

Particulars	(₹ in lakhs)								Total	
	Land - Owned	Building - (Factory)	Building - (Office)	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equip-ments Office & Air Condi-tioners	Comput-ers		Electrical Installa-tions
Gross carrying value										
Balance as at 1 April 2018	280.25	1,533.95	10.32	4,721.11	88.54	97.94	5.97	8.57	127.41	6,874.06
Additions	-	4.27	-	186.63	0.14	-	18.23	1.00	-	210.27
Deductions/ Adjustment made during the Year	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	280.25	1,538.22	10.32	4,907.74	88.68	97.94	24.20	9.57	127.41	7,084.33
Additions	-	-	-	316.61	-	94.68	4.58	12.53	-	428.40
Deductions/ Adjustment made during the Year	-	-	-	-	-	-38.95	-	-	-	(38.95)
Balance as at 31 March 2020	280.25	1,538.22	10.32	5,224.35	88.68	153.68	28.78	22.09	127.41	7,473.78
Accumulated depreciation										
Balance as at 1 April 2018	-	118.01	0.40	462.77	27.21	33.56	3.20	4.36	36.14	685.65
Depreciation charge	-	59.11	0.20	250.14	11.82	21.77	2.64	1.50	12.69	359.87
Adjustments / deductions	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	177.12	0.61	712.91	39.03	55.33	5.84	5.86	48.83	1,045.52
Depreciation charge	-	59.16	0.20	262.26	9.66	16.44	4.46	1.83	12.15	366.17
Adjustments / deductions	-	-	-	-	-	-36.62	-	-	-	-36.62
Balance as at 31 March 2020	-	236.28	0.81	975.17	48.69	35.15	10.30	7.68	60.98	1,375.07
Net carrying value										
Balance as at 1 April 2018	280.25	1,415.94	9.92	4,258.34	61.33	64.38	2.77	4.21	91.27	6,188.41
Balance as at 31 March 2019	280.25	1,361.10	9.71	4,194.83	49.65	42.61	18.36	3.71	78.58	6,038.81
Balance as at 31 March 2020	280.25	1,301.94	9.51	4,249.18	39.99	118.52	18.49	14.41	66.43	6,098.73

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 3B : Right of use Assets

(Refer note 2.26 and note 34 as Ind AS 116 applicable from 1st April, 2019)

(₹ in lakhs)

Particulars	Office Premises	Land	Total
Gross Carrying Value (at deemed cost)			
Balance as on 1st April 2019	-	-	-
Addition	94.82	9.65	104.47
Disposals	-	-	-
Balance as on 31st March 2020	94.82	9.65	104.47
Accumulated Amortisation			
Balance as on 1st April 2019	-	-	-
Amortisation charge	22.35	1.93	24.28
Balance as on 31st March 2020	22.35	1.93	24.28
Net Carrying value			
Balance as at 1st April 2019	-	-	-
Balance as on 31st March 2020	72.47	7.72	80.19

Note 3C : Intangible Asset

Particulars	Software	Total
Gross carrying value(at deemed cost)		
Balance as at 1st April 2018	-	-
Addition	-	-
Disposals	-	-
Balance as on 31st March 2019	-	-
Addition	3.67	3.67
Disposals	-	-
Balance as on 31st March 2020	3.67	3.67
Accumulated Amortisation		
Balance as at 1st April 2018	-	-
Amortisation charge	-	-
Balance as on 31st March 2019	-	-
Amortisation charge	0.18	0.18
Balance as on 31st March 2020	0.18	0.18
Net Carrying value		
Balance as at 1st April 2018	-	-
Balance as on 31st March 2019	-	-
Balance as on 31st March 2020	3.49	3.49

Note 3D : Capital work-in-progress

Particulars	Total
Gross Carrying value (at deemed cost)	
Balance as at 1 April 2018	24.51
Additions/(Adjustment) during the Year	243.10
Capitalisation During the Year	-119.44
Balance as at 31 March 2019	148.17
Additions/(Adjustment) during the Year	176.65
Capitalisation During the Year	-301.52
Balance as at 31 March 2020	23.30

Lactose (India) Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 4 : Investment Property

(₹ in lakhs)

Particulars	Building	Total
Gross carrying value		
Balance as at 1 April 2018	132.87	132.87
Additions	-	-
Disposals	(132.87)	(132.87)
Balance as at 31 March 2019	-	-
Additions	-	-
Disposals	-	-
Balance as at 31 March 2020	-	-
Accumulated depreciation		
Balance as at 1 April 2018	4.49	4.49
Additions	0.51	0.51
Disposals	(5.01)	(5.01)
Balance as at 31 March 2019	0.00	0.00
Additions	-	-
Disposals	-	-
Balance as at 31 March 2020	0.00	0.0
Net carrying value		
Balance as at 31 March 2018	128.37	128.37
Balance as at 31 March 2019	-	-
Balance as at 31 March 2020	-	-

Note:

i) **Amounts recognised in Profit and Loss for Investment purpose**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Rental Income	-	1.95
Direct Operating Expenses from Property that generates Rental Income	-	-
Profit from Investment Property before Depreciation	-	1.95
Depreciation	-	0.51
Profit From Investment Properties	-	1.44

ii) **Fair Value**

Particulars	As at 31 March 2020	As at 31 March 2019
Investment Properties	-	-
	-	-

Estimation of Fair value :

The above valuation of the investment properties are in accordance with the Ready Reckoner rates prescribed by the Government of Maharashtra for the purpose of levying stamp duty. Since the valuation is based on the published Ready Reckoner rates. the company has classified the same under Level 2 of Fair value hierarchy.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 5 : Investments

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
I. Investment at fair value through Profit or loss		
Investment in Equity instruments		
i) In other companies	5.80	6.91
Investment in mutual fund	0.85	0.79
Total non-current investments	6.65	7.70

Note 5.1 Detailed list of non-current investments

Face value of Rs. 10 each, unless otherwise stated

	As at 31 March 2020		As at 31 March 2019	
	Nos	(₹ in lakhs)	Nos	(₹ in lakhs)
I. Investments valued At Fair value through Profit and Loss, fully paid up, quoted, unless otherwise stated				
i) Investment in Equity instruments				
Clio Infotech Limited (face value of Rs. 10/- each, fully paid up)	1,000	0.02	1,000	0.02
Shardul Securities & Finance Limited (face value of Rs. 10/- each, fully paid up)	12,800	5.78	12,800	6.89
		5.80		6.91
ii) Investment in mutual fund				
L&T Floating Rate Fund- Growth	4,261	0.85		0.79
		0.85		0.79
Total non-current investments		6.65		7.70

Particular	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Details:		
Aggregate of non-current investments:		
Book value of investments (net of impairment allowance)	6.65	7.70
Investments carried at fair value through profit and loss	6.65	7.70

Lactose (India) Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 6 : Other Financial Assets

(Unsecured & considered good, unless otherwise stated)

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Non-current		
Security Deposits	108.96	79.02
Total non-current financial assets	108.96	79.02
Current		
Advances recoverable in cash or in kind	8.88	11.10
Other Receivable	3.81	4.29
Total current financial assets	12.69	15.39
Total other financial assets	121.65	94.40

Note 7 : Other non-current assets

(Unsecured, considered good, unless otherwise stated)

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Non-current		
Capital advances	1.00	95.60
Balance with government authorities	28.41	28.41
Prepaid expenses	2.60	0.30
Total non-current assets	32.01	124.31
Current		
Interest accrued on deposits	4.23	4.50
Duties and Taxes Receivable	30.90	12.33
Advance to suppliers	9.94	8.29
Prepaid expenses	24.42	17.07
Total current assets	69.49	42.19
Total other assets	101.50	166.51

Note 8 : Inventories

(Valued at Cost or Net Realisable Value whichever is lower)

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Raw Materials and components	301.17	246.53
Work-in-progress	465.65	474.61
Finished goods	71.88	48.97
Stores, spares and other consumables	52.15	40.95
Total Inventories	890.85	811.06

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 9 : Trade receivables

(Unsecured & considered good, unless otherwise stated)

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Trade receivables	709.66	694.64
Less: Provision for expected credit loss	(11.54)	(7.29)
Total trade receivables	698.12	687.35

Note 10 : Cash and cash equivalents

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Balances with banks		
- Current accounts in Indian rupees	157.79	53.92
Cash on hand	7.18	14.95
Total cash and cash equivalents	164.97	68.87

Note 11 : Bank balances other than Cash and cash equivalents

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Earmarked balances with banks for:		
Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	19.07	17.95
Fixed deposits with bank	4.05	6.73
Total other bank balances	23.12	24.68

Margin money amounting to Rs. 19.07 lakh including interest is held as bank guarantee.

Note 12 : Income tax assets (net)**(a) Amounts recognised in Statement of Profit and Loss**

Particulars	(₹ in lakhs)	
	2019-20	2018-19
Current tax expense (A)		
Current year	1.55	20.73
Short/(Excess) provision of earlier years	0.37	-
Deferred tax expense (B)		
Origination and reversal of temporary differences	0.82	14.69
Tax expense recognised in the income statement (A+B)	2.73	35.42

Lactose (India) Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(b) Amounts recognised in other comprehensive income

Particulars	2019-20			2018-19		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligation	(4.98)	1.39	(3.60)	(1.67)	0.46	-1.20
	(4.98)	1.39	(3.60)	(1.67)	0.46	-1.20

(c) Reconciliation of effective tax rate

Particulars	2019-20	2018-19
Profit before tax	9.94	107.44
Tax using the Company's domestic tax rate @ 26%	2.58	27.94
Tax effect of :		
Tax effect on non-deductible expenses/ income	(10.53)	5.34
Adjustments recognised in current year in relation to the tax of prior years	0.37	-
Others	10.31	2.14
Tax expense as per Statement of Profit & Loss	2.73	35.42
Effective tax rate	27.495%	32.966%

(d) Income tax assets (net)

Particular	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Advance income tax and TDS	113.81	119.88
Total Income Tax Assets	113.81	119.88

Note 13 : Share capital

Particular	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Authorised share capital		
12,000,000 equity shares of Rs.10/- each	1,200.00	1,200.00
Total authorised share capital	1,200.00	1,200.00
Issued, subscribed and paid-up equity share capital:		
1,01,89,000 (PY 1,01,89,000) equity shares of Rs. 10/- each, fully paid up	1,018.90	1,018.90
Total issued, subscribed and paid-up equity share capital	1,018.90	1,018.90

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	Number	(₹ in lakhs)
As at 1 April 2018	1,00,39,000	1,003.90
Issued during the year	1,50,000	15.00
As at 31 March 2019	1,01,89,000	1,018.90
Issued during the year	-	-
As at 31 March 2020	1,01,89,000	1,018.90

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

b. Terms/rights attached to equity shares:

- (i) The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Any fresh equity shares shall rank pari-passu with the existing shares.
- (ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shareholding of more than 5%:

Name of the Shareholder	As on March 31, 2020		As on March 31, 2019	
	% held	No. of shares	% held	No. of shares
Gyaneshwar Multitrade Private Limited	7.75%	7,89,870	10.96%	11,16,215
Sangeeta Maheshwari	11.06%	11,27,410	11.06%	11,27,410
Atul Maheshwari	9.31%	9,48,510	9.31%	9,48,510
Shyamsunder Toshniwal	8.91%	9,08,073	8.91%	9,08,073
Madhusa Lifecare Private Limited	5.67%	5,78,184	5.67%	5,78,184
Madhu Toshniwal	6.00%	6,10,968	6.00%	6,10,968

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Note: In the previous year 1,50,000 Equity Shares (of Rs 10 each fully paid up) have been issued on conversion of the Share warrant issued at a Rs 158.18 (including security premium of Rs 148.18) in the ratio of one share per warrant in the current year.

Note 14 : Borrowings

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Non current		
Secured		
Term Loan from Others	3,535.00	3,555.28
Less: Current maturities of long term debt	(239.57)	(420.00)
	3,295.42	3,135.28
Vehicle loan from Bank	92.82	18.32
Less: Current Maturities of Long term Borrowings	(20.47)	(5.37)
	72.35	12.95
	3,367.77	3,148.23
Unsecured		
Loan from Others	7.95	15.51
Less: Current maturities Inter Corporate Loans	(7.95)	(13.28)
	-	2.23
Total non-current borrowings	3,367.77	3,150.46

Lactose (India) Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Current		
Secured		
Loan from NBFCs repayable on demand	152.96	-
Unsecured		
Loan from Directors	-	14.55
Total current borrowings	152.96	14.55
Total borrowings	3,520.73	3,165.01

Note:

l) Secured borrowings

Term Loan From NBFCs

- a) Term loan from Piramal Finance Ltd. Amounting to Rs.Nil (31.03.2019 : Rs.3355.28 Lakhs). It carries an interest rate of 13.50% p.a.. The loan is repayable in 72 monthly installment starting from 5th September, 2017.
- b) Term loan from Piramal Finance Ltd. Amounting to Rs Nil (31.03.2019 : Rs. 200 lakhs). It carries an interest rate of 13.50% p.a.. The repayment of principal amount of loan shall commence by the end of 24th Month from the first drawdown in 5 instalments.
- c) Term loan from Aditya Birla Finance Ltd. Amounting to Rs.3535.00 lakhs (31.03.2019 : Rs.Nil) . It carries an interest rate of 12.5% p.a.. The loan is repayable in 120 monthly installment starting from 15th October, 2019.
- d) Working Capital loan from Aditya Birla Finance Ltd amounting to Rs.152.96 lakhs (P.Y.Nil) . The cash credit is repayable on demand and carries interest @ 12.5% p.a.

The above loan from Aditya Birla are secured by

The above loan is secured against hypothecation of current asstes, plant & machinery, factory land and building situated at village Poicah (Rania) Taluka salvi Dist Vadodra

Minimum 26% of shares of Lactose (India) Ltd held by promoters is been pledged

Term Loan From Banks :

Vehicle loans From Bank

- a) Vehicle loans from HDFC Bank amounting to Rs.84.97 lakhs (31.03.2019 : Rs. 10.47 lakhs) are secured against respective vehicles. It carries interest rate of 8.46% to 10.00% p.a. and are repayable in 48 to 60 equal monthly installments.
- b) Vehicle loan from Axis Bank amounting to Rs.7.85 lakhs (31.03.2019 : Rs.Nil) is secured against respective vehicles. It carries interest rate of 9.51% p.a. and is repayable in 60 equal monthly installment.

Unsecured borrowings from NBFCs

- a) Long Term Loan From Bajaj Finserv amounting to Rs.2.44 lakhs (31.03.2019 : Rs.15.71 lakhs,) which are unsecured and carry interest rate of 16.75%p.a and is repayable in 36 installments of Rs. 1.24 lakhs each.
- b) Long Term Loan From Tata Capital Financial Services Ltd amounting to Rs.5.52 lakhs (31.03.2019: Rs.Nil) which are unsecured and carry interest rate of 19.75%p.a and is repayable in 12 installments as per repayment schedule.

Unsecured borrowings from Directors

Short term loans from Directors amounting to Rs.Nil (31.03.2019 : Rs.14.55 lakhs) are unsecured and interest free. The loan is repayable on demand.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 15 : Lease Liability

(Refer note 2.26 and note 34 as Ind AS 116 applicable from 1st April, 2019)

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Non - Current		
Lease liability	49.54	-
Current		
Lease Liability	31.99	-
Total	81.54	-

Note 16 : Provisions

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Non-current		
Provision for employee benefits (Refer note 32)		
- Gratuity	72.36	55.54
Total non-current provisions	72.36	55.54
Current		
Provision for employee benefits (Refer note 32)		
- Gratuity	6.69	5.04
Total current provisions	6.69	5.04
Total provisions	79.05	60.57

Note 17 : Deferred Tax Liabilities

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Deferred Tax Liability on account of :		
Property, Plant and Equipments	729.78	712.11
Interest expenses on unwinding of financial liability	-	14.23
Investments carried at fair value through profit and loss	-	0.50
	729.78	726.84
Deferred Tax Asset on account of :		
Provision for employee benefits	23.47	19.21
Lease as per Ind As 116	0.35	-
Provision for expected credit loss on trade receivables	3.00	-
Investments carried at fair value through profit and loss	0.22	1.89
Unabsorbed Depreciation	367.43	371.40
MAT Credit Entitlement	207.44	205.89
	601.91	598.39
Total Deferred Tax Liabilities	127.87	128.44

Lactose (India) Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 18 : Other non-current liabilities

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Non-current		
Advance Manufacturing Consideration [Refer note (a) below]	197.39	255.16
Less : Current maturities of Advance Manufacturing Consideration	(57.77)	(57.77)
Total other non-current liabilities	139.62	197.39
Current		
Duties & Taxes Payable	24.65	61.02
Current maturities of Advance Manufacturing Consideration [Refer Note (a) below]	57.77	57.77
Advance from Customer	115.55	-
Payable for Capital goods	10.03	37.94
Total other current liabilities	208.00	156.73
Total other liabilities	347.62	354.12

Note

- a) a) During the FY 2013-14, the Company had commenced production of its upgraded manufacturing facility to manufacture up to 10000 metric tons 200 Mesh Lactose per year exclusively for Kerry Indegredients India Private Limited (KIPL) and accordingly as per the manufacturing agreement with KIPL, has recognised during the year income of Rs.57.77 lakhs (31.03.2019 :Rs.57.77 lakhs,) on proportionate basis out of total Advance Manufacturing Consideration amounting to Rs. 577.72 lakhs and the balance of Rs.57.77 lakhs (31.03.2019 Rs. 57.77 lakhs is disclosed under the head "Other Current liability" and Rs. 197.39 (31-03-2019 Rs. 255.16 lakhs, is disclosed under the head "Other Long term liability".

Note 19 : Trade payables

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
- Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note below)	34.30	111.68
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	347.00	399.39
Total trade payables	381.30	511.06

The Company has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act), as at 31 March 2020.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

The disclosure pursuant to the said Act is as under:

Particulars	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year*;	34.30	111.68
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	0.15	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Note: This information, as required to be disclosed under the MSMED Act, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Trade payables are normally non-interest bearing and settled as per the payment terms stated in the contract.

Note 20 : Other financial liabilities

Particulars	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Current		
Current maturities of long-term debt	268.00	438.65
Provision for Expenses	73.95	72.10
Deposit received	0.19	0.64
Other Payable	-	11.52
Interest accrued but not due	17.54	0.33
Total	359.68	523.24

Lactose (India) Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 21 : Revenue from Operations

Particulars	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Sale of Product Comprises of:		
Sales	834.46	876.23
Conversion Charges	3,099.76	3,112.71
	3,934.22	3,988.94
Other operating revenue		
Scrap Sales	9.19	10.41
MEIS Export Incentive	3.66	3.72
Manufacturing Consideration	57.77	57.77
	70.63	71.90
Total Revenue from Operations	4,004.85	4,060.84

Note 22 : Other Income

Particulars	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Interest Income		
- on rent deposits	-	0.54
- on Fixed Deposits	1.71	4.07
- on others	4.71	4.50
- on Income Tax Refund	10.67	-
- on VAT Refund	-	13.20
Rent Income	4.80	6.15
Profit on sale of Investment Property	-	6.39
Fair valuation of Investment	-	1.45
Sundry balances written back	6.70	-
Foreign Exchange Gain	0.93	5.24
Miscellaneous Income	0.03	0.92
Total other income	29.54	42.46

Note 23 : Cost of materials consumed

Particulars	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Raw Material Consumed	420.94	403.20
Packing Material Consumed	126.16	156.48
Total	547.09	559.67

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 24 : Purchase of stock-in-Trade

Particulars	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Purchase of Stock-in-Trade	164.22	210.46
	164.22	210.46

Note 25 : Changes in Inventories of finished goods and Work in progress

Particulars	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Opening Inventory		
Finished Goods	48.97	60.05
Work-In-Progress	474.61	464.07
	523.58	524.12
Closing Inventory		
Finished Goods	71.88	48.97
Work-In-Progress	465.65	474.61
	537.53	523.58
Total Changes in Inventories of finished goods and Work in Progress	(13.96)	0.55

Note 26 : Employee benefits expense

Particulars	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Salaries and wages	1,144.73	1,079.55
Directors Remuneration	133.32	118.37
Gratuity (Refer note 32 A)	13.50	9.92
Contribution to provident and other funds (Refer note 32 (B))	20.64	18.10
Staff welfare	8.73	9.53
Total employee benefits expense	1,320.91	1,235.46

Note : Salaries and Wages include amount paid towards contractual wages Rs. 595.98 lakhs (31.03.2019 : Rs.589.56 lakhs).

Note 27 : Finance costs

Particulars	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Interest Expenses		
- Banks & Financial Institutions	484.30	516.72
- Unsecured loan	0.97	3.39
- Interest accrued on lease liability as per Ind AS 116 (Refer note 34)*	7.84	-
- Other Borrowing Cost	59.88	11.79
Bank Charges	2.71	3.46
Total finance costs	555.70	535.35

* As Ind AS116 applicacble from 1st April, 2019

Lactose (India) Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 28 : Other expenses

Particulars	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Stores and spares consumed	82.62	84.46
Power and Fuel expenses	629.81	624.29
Laboratory materials consumed	22.50	18.28
Rent (Refer note 34)*	0.01	24.62
Repairs to :		
- Building	12.30	4.41
- Machinery	20.77	16.32
- Others	18.48	26.09
Insurance Charges	12.98	13.44
Rates and Taxes	14.19	9.57
Legal and Professional	31.78	43.04
Communication Expenses	7.36	10.55
Auditor's Remuneration	7.31	6.66
Travelling Expenses	19.65	32.01
Freight Outward	6.82	2.93
Sales Promotion Charges	20.58	10.70
Loss on fair value changes in investments	1.05	-
Provision for expected credit loss	4.25	1.86
Miscellaneous Expenses	147.40	164.76
Total other expenses	1,059.86	1,093.99
* As Ind AS116 applicacble from 1st April, 2019		
Auditors' remuneration:		
i) Statutory audit fees	7.31	6.66
ii) Taxation Matters	-	-
iii) Other Services	-	-
	7.31	6.66

Note 29 : Earnings per share (EPS)

The amount considered in ascertaining the Company's earnings per share constitutes the net loss after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Basic and diluted EPS

Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	(Rs. in lakhs)	7.21	72.02
Weighted average number of equity shares for EPS computation	(Nos.)	1,01,89,000	1,00,94,890
EPS - Basic and Diluted EPS	(Rs.)	0.07	0.71

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 30 : Related party disclosures as required under Indian Accounting Standard 24, “Related party disclosures” are given below:

- a) **Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)**

Nature of relationship	Nature of the party
A) Key Management Personnel (KMP) and their relatives	
Mr Atul Maheshwari	Managing Director
Mrs. Sangita Maheshwari	Whole time Director and CFO
Mr Shyam Sunder Toshniwal	Non Executive- Non Independent Director
Mr Mahendrakumar Singhi	Non Executive- Independent Director
Mr Pramod Kalani	Non Executive- Independent Director
Mr Gopal Krishna Sarada	Non Executive- Independent Director
Yash Maheshwari	Manager, Relative of Director
Mrs. Madhu Toshniwal	Relative of Director
Ms. Riddhi Sidhpura	Company Secretary (from 23.10.2018 to 09.01.2020)
Mr Ritesh Pandey	Company Secretary (from 10.01.2020)
B) Entities in which KMP have significant influence	
Eurolife Healthcare Private Limited	
Madhusa Lifecare Private Limited	
Madhusa Biotech Private Limited	
Lotus Global Private Limited	
Omega Colors Private Limited	
Vitanosh Ingredients Private Limited	

- b) **Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:**

I. Key management personnel and their relatives

Particulars	Nature of Transaction	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Mr. Atul Maheshwari	Director's Remuneration	80.83	65.78
	Loan Taken	1.43	9.52
	Loan Repaid	1.43	9.52
Mrs. Sangita Maheshwari	Director's Remuneration	52.67	52.58
	Rent paid	5.76	5.40
	Loan Taken	-	57.25
	Loan Repayment	14.55	42.70
	Interest Expense	-	-
Mrs. Madhu Toshniwal	Consultancy Charges paid	6.90	6.90
Mr SS Toshniwal	Loan taken	-	15.00
	Loan Repayment	-	15.00
Mr Yash Maheshwari	Salary paid	23.78	6.00

Lactose (India) Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

II. Enterprises over which key management personnel have significant influence

Particulars	Nature of Transaction	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2018 (₹ in lakhs)
Madhusha Lifecare Private Limited	Loan Taken	-	20.00
	Repayment of Loans Taken	-	20.00
	Sales	-	16.77
Madhusha Biotech Private Limited	Refund of capital advance	90.00	-
Eurolife Healthcare Private Limited	Sales	25.39	145.28
Vitanosh Ingeredients Private Limited	Deposit against Purchase	25.00	-
Lotus global private limited	Loan Taken	15.00	31.00
	Repayment of Loans Taken	15.97	31.00
	Interest Expense	0.97	-
Omega Colors Private Limited	Loan Taken	-	75.00
	Interest Expense	-	3.39
	Sales	119.02	311.20
	Purchases	355.42	13.37
	Loan Repaid	-	78.39

III. Balance Outstanding of Related Parties:

Particulars	Nature of Transaction	As on 31 March , 2020	As on 31 March , 2019
Mrs Sangita Maheshwari	Loan Payable	-	14.55
	Director Remuneration Payable	3.19	4.38
Mr. Atul Maheshwari	Director Remuneration Payable	5.76	5.48
Mrs. Madhu Toshniwal	Expense Payable	0.52	0.58
Mr. Yash Maheshwari	Salary Payable	1.35	0.45
Vitanosh Ingredients Private Limited	Deposit Receivable	25.00	-
Madhusha biotech Private Limited	Capital Advance	-	90.00
Madhusha Lifecare Private Limited	Advance for supply of goods.	2.22	3.44
Eurolife Healthcare Private Limited	Trade receivable	52.67	45.66
Omega Colors Private Limited	Trade payable	-	9.59
	Trade receivable	44.21	119.44

Note 31 : Contingent liabilities and Commitments

(a) Contingent liabilities disclosures as required under Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets" are given below:

Particular	As on March 31, 2020 (₹ in lakhs)	As on March 31, 2019 (₹ in lakhs)
I) Claims not acknowledged as Debts :		
i) Disputed liability in respect of Income tax (AY 13-14)	20.23	20.23
II) Guarantees		
i) Guarantee given by Bank on behalf of the Company	16.05	6.05
III) Other money for which the company is contingently liable		
i) Custom Duty against Export Obligation (Refer Note (a) below)	16.34	2.81

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note:

(a) The Company has obtained Advance Licence for purchase of raw material and license under Export Promotion Capital Goods Scheme (EPCG) for purchase of capital goods on zero percent custom duty. Under the both licence the Company needs to fulfill certain export obligations, failing which, it is liable for payment of custom duty. Export Obligations amounting to Rs.32.39 lakhs (31.03.2018 Rs 62.37 lakhs), needs to be completed under the licence. If the export obligation as per above is not fulfilled, then the duty component will be Rs 16.34 lakh This export obligation to be completed within 6 years from the date of purchase of respective EPCG license In case of advance licence, export obligation to be completed within 18 months from the date of purchase of advance licence

(b) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs 2.74 lakhs (31.03.2019 : Rs.271.18 lakhs).

(c) Tax liability in respect of default under TDS is Rs 0.81 lakh as per Income tax website. The same is under the process of Reconciliation

Note 32 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**A Defined benefit obligations - Gratuity (unfunded)**

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

Particulars	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
a) Changes in defined benefit obligations		
Defined Benefit Obligation ("PBO") at the beginning of the year	60.57	51.59
Service cost for the year	9.38	5.95
Interest cost for the year	4.12	3.97
Actuarial losses / (gains)	4.98	1.67
Benefits paid	-	(2.61)
Defined Benefit Obligation ("PBO") as at the end of the year	79.05	60.57
b) Amounts recognised in the Statement of Profit and Loss		
Current service cost	9.38	5.95
Net interest on net Defined Liability / (Asset)	4.12	3.97
Expenses recognised in the statement of profit and loss	13.50	9.92
c) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in demographic assumptions	-	-
Experience adjustments	4.98	1.67
Total	4.98	1.67
d) The amounts recognised in the Balance Sheet are as follows:		
Present value of obligation as at the end of the year	79.05	60.57
Funded value of assets (unfunded)	-	-
Net assets / (liability) recognised in balance sheet	(79.05)	(60.57)
e) Actuarial assumptions		
Discount rate	6.80% p.a.	7.70% p.a.
Normal retirement age (in years)	58	58
Salary escalation rate (% p.a.) *	7.00% p.a.	7.00% p.a.
Attrition rate	5% to 1%	5% to 1%
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

Lactose (India) Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

f) Quantities sensitivity analysis for significant assumption is as below:

Particulars	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
One percent increase		
i. Discount rate	73.19	56.10
ii. Salary escalation rate - over a long-term	85.68	65.64
iii. Withdrawal rate	78.98	60.65
One percent decrease		
i. Discount rate	85.76	65.65
ii. Salary escalation rate - over a long-term	73.15	56.03
iii. Withdrawal rate	79.13	60.49

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation, keeping all other actuarial assumptions constant.

g) Maturity analysis of defined benefit obligation

1st Following Year	6.69	5.04
2nd Following Year	3.53	3.03
3rd Following Year	4.84	2.97
4th Following Year	7.15	4.17
5th Following Year	9.02	6.19
Sum of Year 6 to 10 Year	57.44	54.96
Total expected payments	88.68	76.36

B Defined contribution plans

	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	20.64	18.10
	20.64	18.10

C Current/ non-current classification

Particulars	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
Gratuity		
Current	6.69	5.04
Non-current	72.36	55.54
	79.05	60.57

Note 33 : Segment Reporting as required under Indian Accounting Standard 108, "Operating Segments" :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. manufacture and trading of Pharmaceutical Products, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 34: Leases

On transition, the adoption of new standard IND AS 116 resulted in recognition of 'Right of Use' assets of Rs 104.47 lakhs and a lease liability of Rs 81.54 lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earning per share. Ind AS 116 will result in an increase in cash inflow from operating activity and an increase in cash outflow from financing activity on account of lease payments.

Following are the changes in the carrying value of right of use assets for the year ended 31st March 2020

Particulars	(₹ in lakhs)
Balance as at 1st April 2019	-
Addition	104.47
Deletion	
Depreciation	24.28
Balance as at 31st March 2020	80.19

The following is the breakup of current and non current lease liabilities as at 31st March 2020

Particulars	(₹ in lakhs)
Current lease liability	31.99
Non current lease liability	49.54
	81.54

The following is the movement in lease liability during the year ended 31st March 2020

Particulars	(₹ in lakhs)
Balance as at 1st April 2019	-
Addition	104.47
Finance cost accrued during the year	-
Deletion	-
Payment of lease liabilities	22.93
Balance as at 31st March 2020	81.54

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis

Particulars	(₹ in lakhs)
Less than one year	30.40
Later than one year but not later than five year	65.27
Later than five year	-
Balance as at 31st March 2020	95.67

Rental expense recorded for short-term leases was Rs.Nil for the year ended March 31,2020.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 35: Fair Value Measurement
(i) Financial instruments by category

Particulars	Refer note	31st March 2020				31st March 2019			
		Carring Amount	FVPL	FVOCI	Amortised Cost	Carring Amount	FVPL	FVOCI	Amortised Cost
		₹ in lakhs							
Financial Assets:									
Investments in Equity Instruments	5	5.80	5.80			6.91		6.91	
Investments in Mutual Fund	5	0.85	0.85			0.79		0.79	
Trade receivables	9	698.12			698.12	687.35		687.35	687.35
Cash and cash equivalents	10	164.97			164.97	68.87		68.87	68.87
Bank balances other than Cash and cash equivalents	11	23.12			23.12	24.68		24.68	24.68
Other financial asset	6	121.65			121.65	94.41		94.41	94.41
Total Financial Assets		1,014.51	6.65	-	1,007.86	883.01	7.70	-	875.31
Financial Liabilities:									
Borrowings	14	3,520.73			3,520.73	3,165.01			3,165.01
Trade payables	19	381.30			381.30	511.06			511.06
Lease Liability	15	81.54			81.54	-			-
Other financial liabilities	20	359.68			359.68	523.24			523.24
Total Financial Liabilities		4,343.25	-	-	4,343.25	4,199.30	-	-	4,199.30

The Company has not disclosed the fair values for financial instruments for loans (non current), other non current financial assets, trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents, Borrowings (current and non current), Trade payables, other current financial liabilities because their carrying amounts are reasonably approximation of fair value.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 36 : Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Major financial instruments affected by market risk includes loans and borrowings.

a) Interest rate risk

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Total Borrowings	3,806.27	3,603.98

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates .:

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Increase in basis points	50 basis points	50 basis points
Effect on profit/(loss) before tax, increase by	(19.03)	(18.02)
Decrease in basis points	50 basis points	50 basis points
Effect on profit/(loss) before tax, decrease by	19.03	18.02

b) Foreign currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Our exposure are mainly denominated in U.S. dollars. The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	As on March 31, 2020		As on March 31, 2019	
	(₹ in lakhs)	In USD	(₹ in lakhs)	In USD
Trade Receivable	-	-	12.60	18,110
Trade Payables	-	-	4.37	7,481

Note : The Company has not entered into any contracts to hedge foreign currency exposures.

c) Commodity and other price risk

The Company is not exposed to the commodity and other price risk.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an on-going basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business
- ii) Actual or expected significant changes in the operating results of the counterparty
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparties ability to meet its obligation
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. When loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due, When recoverable are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Accounts receivables :

Particulars	₹ in lakhs)	
	As at 31-03-2020	As at 31-03-2019
Not Due	639.61	424.99
0 - 6 months	33.85	267.42
6 - 12 months	-	-
Beyond 12 months	36.19	2.22
Total	709.65	694.64

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movements in provision of doubtful debts

Particulars	₹ in lakhs)	
	As at 31-03-2020	As at 31-03-2019
Opening provision	7.29	5.43
Add : Provision for Expected Credit Loss	4.25	1.86
Closing provisions	11.54	7.29

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks of Rs. **164.97** lakhs Rs. **68.87** lakhs as at 31 March 2020, 31 March 2019 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good. Also, Company invests its short term surplus funds in bank fixed deposit, which carry no / low mark to market risks for short duration therefore does not expose the Company to credit risk.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations. (₹ in lakhs)

Particulars	Note No.	Contractual cash flows				Total
		On Demand	Less than 1 year	1 - 5 years	More than 5 years	
As at 31 March 2020						
Non - derivative financial liabilities						
Borrowings	14	152.96	285.54	1,136.77	2,231.00	3,806.27
Trade payables	19	381.30	-	-	-	381.30
Lease Liability	15	-	31.99	49.54	-	81.54
Other financial liabilities	20	-	74.14	-	-	74.14
		534.26	391.67	1,186.32	2,231.00	4,343.25
As at 31 March 2019						
Non - derivative financial liabilities						
Borrowings	14	14.55	438.98	3,150.46	-	3,603.98
Trade payables	19	511.06	-	-	-	511.06
Other financial liabilities	20	-	84.26	-	-	84.26
		525.61	523.24	3,150.46	-	4,199.30

Note 37 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

To maintain or adjust the capital structure, the Company usually turns to reputed banks and other financial institutions for funds. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital plus total debts.

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Total debts	3,806.27	3,603.98
Total equity	3,428.59	3,424.98
Total of debt and equity	7,234.86	7,028.96
Total of debt and equity	52.61%	51.27%

Note : For the purpose of computing debt to equity ratio, equity includes Equity share capital and Other Equity and Debt includes Long term borrowings, Short term borrowings and current maturities of long term borrowings.

Lactose (India) Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Note 38 : Since the first quarter of Calendar Year 2020, the Covid-19 pandemic has impacted most of the countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. The Indian economy would be impacted by this pandemic with contraction in industrial and services output across small and large businesses.

The Company's business is expected to be impacted by lower revenues in the short to medium term. The impact of the Covid-19 pandemic on the financial statements remains uncertain and dependent on the spread of Covid-19, steps taken by the government to mitigate the economic impact, and the time it takes for economic activities to resume at normal levels. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. The Company's capital and liquidity position is strong and would continue to be the focus area for the Company during this period.

Note 39 : Prior year comparatives

Previous year's figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

Notes 1 to 39 form an integral part of the financial statements

For C A S & CO.
(formerly known as K.M. Tulsian & Associates)
Chartered Accountants
Firm Registration No.111075W

Sd/-
Nitesh Musahib
Partner
Mem. No. 131146
Place: Mumbai
Date: 30th June, 2020

For and on behalf of the Board of Directors
LACTOSE (INDIA) LIMITED
CIN : L15201GJ1991PLC015186

Sd/-
Atul Maheshwari
Managing Director
DIN 00255202
Place: Mumbai
Date: 30th June, 2020

Sd/-
Sangita Maheshwari
Whole Time Director & C.F.O.
DIN- 00369898

Sd/-
Ritesh Pandey
Company Secretary

