

ANNUAL REPORT 2017-18



Narmada Gelatines Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Justice Gulab Gupta
Mr. Deepak Chaudhuri
Mr. Mohan Chandra Pant
Mr. Sanjeev Jain
Mr. Ravindra K. Raje
Mrs. Drushti R. Desai
Mr. Ashok K. Kapur - Whole Time Director

BOARD COMMITTEES

Audit Committee

Justice Gulab Gupta - Chairman
Mr. Deepak Chaudhuri
Mr. Mohan Chandra Pant
Mrs. Drushti R Desai

Nomination & Remuneration Committee

Mr. Deepak Chaudhuri - Chairman
Justice Gulab Gupta
Mr. Sanjeev Jain

Stakeholders' Relationship Committee

Mr. Mohan Chandra Pant - Chairman
Mr. Ravindra K. Raje
Mr. Ashok K. Kapur

Corporate Social Responsibility Committee

Mr. Mohan Chandra Pant - Chairman
Mr. Sanjeev Jain
Mr. Ashok K. Kapur

Risk Management Committee

Mr. Ravindra K. Raje
Mr. Ashok K. Kapur
Mr. Sudhir Srivastava, Factory Manager
Mr. S. Bhattacharya, GM - Operations

COMPANY SECRETARY & COMPLIANCE OFFICER
Mr. Mahesh Verma

CHIEF FINANCIAL OFFICER
Ms. Garvita Asati

STATUTORY AUDITORS
Lodha & Co., Mumbai

SECRETARIAL AUDITORS
Dr. Asim Kumar Chattopadhyay

BANKERS
Allahabad Bank
IDBI Bank Ltd.
Union Bank of India
ICICI Bank Ltd.
State Bank of India
HDFC Bank Ltd.
Axis Bank Ltd.

REGISTERED OFFICE
CARAVS, Room No. 28
15 Civil Lines, Jabalpur - 482001 (M.P.)

FACTORY
Meerganj, Bheraghat Road
Jabalpur (M.P.)

REGISTRARS & TRANSFER AGENT
CB Management Services Pvt. Ltd.
P-22, Bondel Road,
Kolkata -700019

LISTED WITH
Bombay Stock Exchange Ltd.

DEPOSITORIES
National Securities Depository Limited
Central Depository Services (I) Limited

WEBSITE : www.narmadagelatines.com

CIN : L24111MP1961PLC016023

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BOARD'S REPORT

The Directors present the 57th Annual Report of Narmada Gelatines Limited (the Company) along with the audited financial statements for the financial year ended 31st March, 2018.

Financial Highlights

| | (₹ lakh) | |
|---|-----------------------------------|-----------------------------------|
| | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
| Revenue from Operations | 11761.23 | 11275.51 |
| Other Income | 439.79 | 584.18 |
| Total Income | 12201.02 | 11859.68 |
| Total expenses | 11351.10 | 11027.38 |
| Profit before tax | 849.92 | 832.30 |
| Tax Expense | 46.23 | 221.72 |
| Profit after taxation | 803.69 | 610.59 |
| Other Comprehensive Income: | | |
| Re-measurements of net defined benefit plans | 15.22 | 14.19 |
| Net Profit for the year | 818.92 | 624.78 |

Economy Overview

India's economic growth in 2017-18 experienced a slowdown to 6.6% from 7.1% in the previous year. The first quarter of the financial year 2017-18 saw the impact of demonetisation settling down, while in the next quarter, the introduction of the landmark Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime. This did not take long, and from the third quarter onwards, signs of growth returning were evident.

Sectors such as public administration, defence and other services, trade, hotels, transport, communication and services related to broadcasting, electricity, gas and water supply and other utility services, financial, real estate and professional services registered a growth of over 7%.

Industrial growth also recovered with the Index of Industrial production (IIP) registering an impressive growth rate of 7.5% in January 2018 as compared to 2.4% in January 2017. The cumulative growth for the year stood at 3.7% in contrast to 5.1% growth registered during 2016-17.

Manufacturing sectors such as pharmaceuticals, electronics and transport equipment registered robust double-digit growth rates, while growth in other sectors such as electrical equipment, garments and textiles slackened.

Indian exports exhibited positive growth during the year 2017-18 and expanded by around 11% over the previous year.

Operating Performance

During the year under review, despite the economic slowdown in first half, your company recorded a turnover (net of excise) of ₹117.61 crores as compared to ₹112.75 crores in the previous year. Profit after tax at ₹8.03 crores improved significantly as compared to ₹6.10 crores in 2016-17 as a result of reduction in tax expense. Consequently, Earnings per share increased to ₹13.54 as compared to ₹10.33 in 2016-17.

Dividends

Based on the company's performance, the Directors are pleased to recommend a dividend of ₹4.00 per Equity Share (previous year ₹4.00 per Equity Share) for the financial year ended 31st March, 2018. The total outflow on account of the

proposed dividend including dividend distribution tax will be ₹291.72 lakh (previous year ₹291.24 lakh). The dividend on equity shares, if approved at the ensuing Annual General Meeting, will be paid to Members whose names appear in the Register of Members as on 19th September, 2018 and to Members whose names appear on that date as Beneficial Owners as furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Transfer to Reserves

It is proposed to transfer an amount of ₹ 81.89 lakh (being 10% of the net profits for the year) to the General Reserve.

Industry Structure and Developments

Global gelatin market is expected to grow at a rate of 2% to 3% per annum. Increasing use in nutraceuticals, recognition of preventive healthcare, growing demand for technical textile and utilization of functional food are the major factors driving the market growth. Pharmaceutical applications are expected to witness fastest growth on account of rapidly expanding usage of hydrocolloids in production of tablets and capsules. However, food security concerns and threat of vegan gelatin substitutes are some of the factors hindering the market growth.

Pig skin segment holds the maximum share of the gelatin market. Huge amount of collagen found in pig skin is one of the key factors driving this segment. Bovine hides and bones are unrefined materials that are used broadly in the market, and both these segments combined together account for less than 60% share of the overall gelatin market.

Growing regulatory issues, primarily in the food industry, are also challenges for domestic gelatin manufacturers.

Opportunities and Threats, Outlook, Risks and Concerns

India continues to be categorised as "Negligible Risk" under BSE categorisation. With increasing level of awareness on environmental hazards, the state authorities are upgrading pollution control norms regularly and the industry is now required to address the issue of environment with more commitment. Your company continues to take all necessary steps to comply with pollution control norms.

Difficulty in sourcing good quality raw material and rise in raw material prices continue to areas of concern. The import of poor quality gelatin into India is a matter of health concern and affects proper price realisation for the gelatin produced by the domestic manufacturers. The industry has been taking pro-active steps to make the Government authorities aware of such imports. Furthermore, availability of cheap raw materials has pushed down the gelatine prices globally. This has the impact on pricing in the domestic market. Large quantities of gelatin are being imported into India at prices lower than the domestic prices, which is a major concern for the industry. The availability of good quality crushed bones at a reasonable cost is critical for the competitiveness of the domestic ossein and gelatin industry. The government has allowed imports of crushed bones and the quality of the imported bones is far superior. This may help to reduce the raw material prices in India and also help to improve the quality of gelatin.

The growth of the market for food gelatin is driven by the end-use industries, such as confectionery, nutritional drinks and bakery. Although the market is growing, it is facing different challenges that include low acceptance from strict vegetarians and religious groups. While your company is taking all actions to improve product mix, yield and productivity along with cost reduction measures, the price realisation for gelatin and consequently the margins are constantly facing pressure. The prima facie indications from the Government to replace the gelatin capsules by Hydro-

xypropylmethyl cellulose (HPMC) is a major challenge being faced by the industry over the past year. For the time being, this has been set to rest as the recommendation of expert committee appointed by the Government is in favour of continuing with gelatin capsules for medicinal use.

Segment-wise or product-wise performance

The Company is engaged in only one segment namely manufacture and sale of gelatine and related products like ossein and di-calcium phosphate (DCP) and as such there are no reportable segments as per Ind AS-108 "Operating Segments"

Quality initiatives

The Company is committed to the highest levels of quality for its products and customer services. During the financial year 2017-18, the Company retained its ISO certification for Quality Management (ISO 9001:2008), EDQM Certification from European Directorate for the Quality of Medicines and Healthcare, DNV Management System Certification for Food Safety Management System Standard (ISO 22000:2005), KOSHER Certification, Halal Assurance System Certification from Majelis Ulama, Indonesia.

Internal financial controls and its adequacy

The Company has designed and implemented a process driven framework for Internal Financial Controls within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18 and commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

The Company's internal control system comprises audit and compliance of observations made by the Internal Auditor. The Internal Auditor independently evaluates the adequacy of internal controls and concurrently audits the majority of the transactions in value terms. Independence of audit and compliance is ensured by direct reporting of Internal Auditor to the Audit Committee. Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company.

Fixed Deposits

During the year under review, the Company has not accepted any deposits from public as defined under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Corporate Social Responsibility (CSR)

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure I of this report in the format prescribed in the

Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The policy is available on <https://www.narmadagelatines.com>.

Risk Management

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Risk Management Committee is entrusted with the responsibility to assist the Board in overseeing the risks associated with the business and risk mitigating measures to be taken by the Company. The details of the Risk Management Committee, its terms of reference, key business risks identified and mitigation plans are set out in the Corporate Governance Report.

Vigil Mechanism

As per the provisions of Section 177(9) of the Companies Act, 2013 ('Act'), the Company is required to establish an effective Vigil Mechanism for directors and employees to report genuine concerns. The Company has a Whistle-blower Policy in place to encourage and facilitate employees to report concerns about unethical behaviour, actual/suspected frauds and violation of Company's Code of Conduct or Ethics Policy. The policy provides for adequate safeguards against victimisation of persons who avail the same and provides for direct access to the chairperson of the Audit Committee. The Audit Committee of the Company oversees the implementation of the Whistle-Blower Policy. The Company has disclosed information about the establishment of the Whistle-Blower Policy on its website www.narmadagelatines.com and in the Corporate Governance Report.

Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any subsidiary, joint ventures or associate companies.

Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013, and Article 115 of the Articles of Association of the Company, Ms. Drushti R Desai retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered herself for re-appointment. The Board of Directors recommends her re-appointment.

Pursuant to the provisions of Section 149 of the Act, Mr. Gulab Gupta, Mr. Mohan C Pant and Mr. Deepak Chaudhari are Independent Directors of the Company. They have submitted a declaration that each of them meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances affecting their status as an Independent Director during the year.

During the year, Ms. Garvita Asati has been designated as Chief Financial Officer of the Company with effect from August 7, 2017.

Attention of Shareholders is invited to the relevant items of the Notice of the Annual General Meeting and the Notes thereto. Brief resume of the Director proposed to be reappointed, nature of her expertise in specific functional areas and names of companies in which she holds directorship and membership/ chairmanship of committees of the Board, as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the section on Corporate Governance in this Annual Report.

Board Evaluation

The Nomination & Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, Committees, Chairman and individual

directors has to be made. The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated. The manner in which the evaluation has been carried out is covered in the Corporate Governance Report.

Policy on Directors' Appointment and Remuneration

The policy of the Company is to have an appropriate number of executive and independent directors on the board.

The policy of the Company on directors' appointment and remuneration, etc. as required under Section 178 of the Companies Act, 2013, is available on the Company's website (www.narmadagelatines.com) and in the Corporate Governance Report. There has been no change in the policy since the last financial year. The remuneration paid to the directors is as per the terms laid down in the Nomination & Remuneration Policy of the Company.

Meetings

During the financial year under review, four Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between two Meetings was within the period prescribed under the Companies Act, 2013.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that

date;

- 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;
- the annual financial statements have been prepared on a going concern basis;
- proper internal financial controls have been followed and that such financial controls are adequate and are operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

Related Party Transactions

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

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in Form AOC-2 are set out in the Note 35 of Notes to Financial Statements forming part of the Annual Report. None of the Directors have any pecuniary relationships or transactions with the Company or vice versa.

Statutory Auditors and Audit Report

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Lodha and Company, Mumbai, Chartered Accountants (Firm Registration No.301051E), were appointed as statutory auditors from the conclusion of 56th Annual General Meeting of the Company, till the conclusion of 61st Annual General Meeting to be held in 2022. However, as per the Companies Amendment Act, 2017 enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is now not required to be ratified at every Annual General Meeting.

The Statutory Auditors, M/s Lodha and Company, Mumbai, Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the Financial Year 2017-18, which forms part of the Annual Report 2017-18. The Notes on Financial Statements referred to in the Auditors' Report for the year 2017-18 are self-explanatory. There are no observations, qualifications, reservations or adverse remarks of the Auditors in the Auditor's Report that call for any explanation.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Dr. Asim Kumar Chattopadhyay, Company Secretary in Practice, was appointed to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this Report as Annexure - II. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Transfer of Unpaid and Unclaimed amounts to IEPF

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the declared dividends and interest on debentures which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government

pursuant to Section 125 of the said Act. During the financial year 2017-18, the Company has transferred to the Investor Education and Protection Fund, unclaimed dividends as detailed in the Corporate Governance Report.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 20th September, 2017 (date of last Annual General Meeting) on the website of the Ministry of Corporate Affairs.

Significant and Material Order passed by the Regulators

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

Corporate Governance Report

The Report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. The Whole-time Director's declaration regarding compliance with the Company's Code of Business Conduct and Ethics for Directors and Management Personnel forms part of the Corporate Governance Report. As required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certificate on Corporate Governance for the year ended 31st March, 2018 issued by Dr. Asim Kumar Chattopadhyay, Company Secretary in Practice, is annexed to this Report.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 is annexed to this Report as Annexure - III.

Extract of Annual Return

In accordance with the Section 134(3)(a) of the Companies Act, 2013 an extract of the Annual Return in Form MGT-9 is annexed to this Report as Annexure - IV.

Particulars of Employees

None of the employees of the Company is in receipt of remuneration exceeding the limits prescribed under 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.

Disclosures pertaining to remuneration and other details in respect of directors and employees of the Company 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 is annexed to this Report as Annexure - V.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

All the employees in the Company are considered equal. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, origin, sexual orientation or age. Every individual is expected to treat his/her colleagues with respect and dignity. The Company has in place a policy for prevention of sexual harassment at workplace. This Anti- Sexual Harassment Policy of the Company is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. An Internal Complaints Committee is in place to redress complaints received regarding sexual harassment. No complaint was received by the Company during the financial year ended 31st March, 2018.

Material changes and commitments affecting the financial position of the Company

There have been 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 to which the financial statements relate and the date of this report.

Human Resources / Industrial Relations

The Company's human resources agenda continues to remain focused on the development of its employees, building capabilities in the organization and progressive employee relations policies.

Industrial relations remained cordial throughout the year. Your Directors place on record their sincere appreciation of the significant contributions made and the continued support extended by all employees at all levels to the Company's operations during the year.

Acknowledgement

Your Directors take this opportunity to thank the Central and the State Governments, statutory authorities, bankers, vendors and business associates and all the stakeholders for their continued interest and valued support.

For and on behalf of the Board

Ravindra K. Raje
Director

Ashok K. Kapur
Whole-time Director

Place: Jabalpur
Date: 29th May, 2018

Annexure - I to the Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Social welfare and community development at the core of the Company's Corporate Social Responsibility philosophy and this continues to be a priority. The Company focuses on activities contributing to the social and economic development of the communities in which it operates and in doing so, build a better, sustainable way of life for the weaker sections of the society and raise the country's human development index.

During the year under review, the Company's contributions to the community were in the areas of protection of environment, promotion of education, livelihood, promoting health care including preventive health care, providing water, sanitation and rural development and contributions to other social development organisations. The Company also supported and partnered with several NGOs in community development and health initiatives. Some of the social activities carried out by the Company were as under:

Environment

The Company carried out plantation of trees, maintenance of green belts and gardens in and around the manufacturing unit. Mangrove plantation in the factory premises and surrounding areas, vermi-compost of waste and its use as manure, recycling of treated water in cooling water system and in horticulture activities, etc. are regular activities undertaken by the Company.

The Company and its employees regularly promote and participate in projects for cleanliness of river Narmada through cleaning banks, putting up flex, banners and wall painting messages. The company sponsored various programmes for environment protection like Marathon 'Run Jabalpur Run' for environment protection, 'Narmada Mahotsava' and 'Narmada Jayanti'.

Education

Education remains as one of the focus areas of social development and the Company supports academics at all levels. The Company provides assistance to schools such as **Ekal Vidyalaya** (Friends of Tribal Society). The Ekal Vidyalaya movement aims to help eradicate illiteracy from rural and tribal India. The Company also provides scholarships to poor girls of the locality and educational support to various poor children through contributions to Hamara Jabalpur for '**Balika Prothsaahan Yojana**' and other charitable institutions. The Company also aided the repairs and maintenance of schools located in the nearby villages and provided financial help to meritorious but financially challenged students.

Religious and cultural programs

The Company contributes to various local religious and cultural programmes. During the traditional Navratri Garba festival, the Company contributed to various programs. Financial assistance and support was given to community festivals. The Company also assisted in the marriage of poor women.

Community Health Care

The Company conducts regular health checks, eye check-up and blood donation camps and medical diagnostic camps. The Company also arranged for sprinkling of medicines and insecticides in the surrounding villages to prevent diseases and to promote cleanliness.

Swachh Bharat Mission

To promote the national mission on cleanliness "**Swachh Bharat Mission**", your Company has contributed towards construction and maintenance of toilets in the nearby village / girls' schools.

Brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programmes

The main objective of the CSR Policy is to lay down guidelines for the Company to make CSR a key business process for sustainable development for the society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities.

The Company shall constantly strive to ensure strong corporate culture which emphasizes on integrating CSR values with business objective. It shall also pursue initiatives related to quality management, environment preservation and social awareness, in the areas as detailed below:

- (i) Promoting health care including preventive healthcare and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining of soil, air and water;
- (iv) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio- economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (v) Rural development projects;
- (vi) Promote and participate in projects for cleanliness of Narmada river;
- (vii) Promote education of girl child and the underprivileged by providing academic support, assistance to schools, sponsorships for eradicating illiteracy;
- (viii) Emphasis on regular health checks and medical aid/ health care facilities with special focus for the mother and child as well as the old aged persons of surroundings and making available of safe drinking water;
- (ix) Promote and sponsor various sports activities and games organized by local gram panchayat;
- (x) Promote and support local religious and cultural programmes;
- (xi) Other areas as may be notified by the Government from time to time.

The CSR policy is available on the company's website: www.narmadagelatines.com

Composition of the CSR Committee:

- Mr. Mohan C. Pant - Independent Director (Chairman)
- Mr. Sanjeev Jain - Director
- Mr. Ashok K. Kapur - Whole-time Director

Average net profit of the Company for last three financial years: ₹ 1372.53 lakh

Prescribed CSR Expenditure: ₹ 27.45 lakh

Details of CSR spend for the financial year:

- Total amount spent for the financial year ₹ 27.74 lakh
- Amount unspent, if any: Nil
- Manner in which the amount was spent during the financial year is detailed below:

(₹ lakh)

| Projects / Activities | Sector | Locations | Amount Outlay (Budget) Project or Programwise | Amount Spent on the project or programs | Cumulative Expenditure Upto Reporting period | Amount spent Direct or through Implementing agency* |
|--|--------------------------------|-----------------------------------|---|---|--|---|
| Educational scholarship, provision of books and educational aid to Govt./ other schools | Literacy | Jabalpur | 6.00 | 6.44 | 6.44 | 6.44 |
| Medical and health camps, promotion of healthcare activities, blood donation, etc. | Healthcare | Jabalpur and surrounding villages | 0.50 | 0.60 | 0.60 | 0.60 |
| Providing safe drinking water to community, support in construction and maintenance of toilets, drainage and roads | Sanitation / Rural development | Jabalpur | 1.40 | 1.43 | 1.43 | 1.43 |
| Tree plantation, and maintenance, promotion of river cleanliness and protection | Environment Protection | Bheraghat, Jabalpur | 14.50 | 14.50 | 14.50 | 14.50 |
| Donation to orphanage and old age homes | Child and old age people care | Jabalpur | 1.00 | 0.50 | 0.50 | 0.50 |
| Financial support for marriage of tribal girls | Care for girl child | Jabalpur | 0.50 | 0.30 | 0.30 | 0.30 |
| Sponsoring sports and games events | Sports promotion | Jabalpur | 1.00 | 1.24 | 1.24 | 1.24 |
| Financial Support for providing food and clothing to poor people | Eradication of poverty | Jabalpur | 0.60 | 0.68 | 0.68 | 0.68 |
| Promotion of cultural activities | Cultural activities | Jabalpur | 1.00 | 0.80 | 0.80 | 0.80 |
| Salary and administration costs | | | 1.25 | 1.25 | 1.25 | 1.25 |
| Total | | | 27.75 | 27.74 | 27.74 | 27.74 |

* Details of Implementing Agencies:

Soham Welfare Society, Jabalpur; Maharishi Vidya Mandir, Jabalpur; Friends of Tribal Society, Jabalpur; Brahmarishi Mission Samiti, Jabalpur; Arya Vidhya Sabha, Jabalpur; Narmada Ved Vedang School, Jabalpur; Sanatam Dharam Shiksha Samiti, Jabalpur; Ekal Gram Sangthan, Jabalpur; Deendayal Antodaya Roti Yojana; Jabalpur; Abhavya Jan Vikas Samiti, Jabalpur

Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company, is reproduced below:

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."

Sd/-
Mohan C. Pant
Chairman of CSR Committee

Sd/-
Ashok K. Kapur
Whole-time Director

29th May, 2018, Jabalpur

Annexure - II to the Board's Report**SECRETARIAL AUDIT REPORT
FORM No. MR-3**

For the Financial Year Ended 31st March, 2018

(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,
NARMADA GELATINES LIMITED
'CARAVS', Room No. 28,
15 Civil Lines,
Jabalpur (M.P.) - 482001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Narmada Gelatines 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 books, papers, minute books, forms and returns filed and other records maintained by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Narmada Gelatines Limited for the financial year ended on 31st March, 2018 according to the provisions as may be applicable to the company of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investments and External Commercial Borrowings: Not applicable during the period under review;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: Not applicable during the period under review;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: Not applicable during the period under review;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable as the company has not issued any debt securities during the period under review
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: Not applicable during the period under review as the company is not acting as a Registrar and Share Transfer Agent.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: Not applicable during the period under review;
 - h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998: Not applicable during the period under review;
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (6) The Food Safety and Standards Act, 2006 along with Food Safety and Standards Rules, 2011;
- (7) Factories Act, 1948 and Rules made thereunder;
- (8) Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Rules made thereunder;
- (9) Maternity Benefits Act, 1961;
- (10) Minimum Wages Act, 1948;
- (11) Payment of Bonus Act, 1965;
- (12) Payment of Gratuity Act, 1972;

(13) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956;

(14) Payment of Wages Act, 1936;

(15) Environmental Laws.

I have also examined the compliance of Secretarial Standards on Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. 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.

There is no change in the composition of the Board of Directors during the period under review. Adequate notice(s) had been 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.

The Resolutions passed by the Board of Directors and Committees thereof had no dissenting views which were required to be captured and minuted.

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.

This Report is to be read with my letter of even date annexed as Annexure "A" and forms an integral part of this report.

Sd/-

Dr Asim Kumar Chattopadhyay

Practising Company Secretary

C P No.: 880 (Whole Time)

FCS No.: 2303

Jabalpur

Dated: 3rd May, 2018

Annexure "A"

TO THE SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2018

To,

The Members

Narmada Gelatines Limited

'CARAVS', Room No. 28,

15 Civil Lines, Jabalpur (M.P.) – 482001

My report for the financial year ended 31st March 2018 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes 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. I believe that the processes and practices I followed, provide a reasonable basis for 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, rules and regulations and happening of events, etc.
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.

Signature : Sd/-

Name : Dr Asim Kumar Chattopadhyay

Designation : Practising Company Secretary

Certificate of Practice No. : 880

Date : 3rd May, 2018

Annexure – III to the Board's Report**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Pursuant to Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014)

A. CONSERVATION OF ENERGY

1. Steps taken or impact on conservation of energy:
 - (a) Improving the availability of electric power in plant by regular follow-up with MPPKVVCL - Diesel consumption reduced by 25% as compared to previous year.
 - (b) Improvement in power factor resulting in higher incentive of ₹ 2.40 lakh received from MPPKVVCL.
 - (c) Improved bio-gas availability from better running of ETP resulting in reduction in Furnace oil consumption by 15 litres per MT of production of Di-calcium Phosphate (DCP) in comparison to previous year.
2. Steps taken or utilising alternate sources of energy: None
3. Capital investment on energy conservation equipment: Nil

B. TECHNOLOGY ABSORPTION

1. Efforts in brief made towards technology absorption:
Temperature control in maturation stage resulting in better yield.
2. Benefits derived as a result of above efforts: Improved yield.
3. Imported technology (imported during the last 3 years reckoned from the beginning of the financial year):
 - (a) Technology
 - (b) Year of import
 - (c) Has technology been fully absorbed
 - (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action
4. Expenditure on R&D:
Recurring Expenditure - ₹15.92 lakh; Capital Expenditure – Nil
Total R&D Expenditure as a % of Total Turnover: 0.14%

} Not applicable as no technology imported

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

FOB value of exports: ₹288.92 lakh (Previous year ₹329.68 lakh)

Expenditure in foreign exchange: Travel for export promotion ₹0.80 lakh and other expenditure ₹9.56 lacs

For and on behalf of the Board

Ravindra K. Raje
Director

Ashok K. Kapur
Whole-time Director

29th May, 2018
Jabalpur

Annexure - IV to the Board's Report
**EXTRACT OF ANNUAL RETURN
FORM No. MGT - 9**

As on the financial year ended 31st March, 2018

(Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

| | |
|--|--|
| i) CIN | L24111MP1961PLC016023 |
| ii) Registration Date | 13 th January, 1961 |
| iii) Name of the Company | Narmada Gelatines Limited |
| iv) Category / Sub-Category of the Company | Company having Share Capital |
| v) Address of the Registered office and contact details | CARAVS, Room No. 28, 15 Civil Lines, Jabalpur - 482001 (M.P.) Phone : (0761) 2830433 |
| vi) Whether listed company Yes / No | Yes |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | C.B. Management Services Pvt. Ltd P-22 Bondel Road, Kolkata Phone : (033) 40116700, 40112280 E-mail : rta@cbmsl.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business Activities contributing 10% or more of the total turnover of the Company:

| Sl. No. | Name and Description of main Products/ Services | NIC Code of the Product/Service | % to total turnover of the company |
|---------|---|---------------------------------|------------------------------------|
| 1 | Gelatine | 20295 | 68% |
| 2 | Di-Calcium Phosphate – Poultry Feed | 10802 | 25% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and address of the company | CIN/GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---------|--|--------------------|----------------------------------|------------------|--------------------|
| 1 | Alfamont (Mauritius) Ltd. Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius | Foreign Company | Holding | 75% | 2(46) |
| 2 | Jumbo World Holdings Ltd. Sea Meadow House, Blackburne Highway (P.O.Box 116), Road Town, Tortola, British Virgin Islands | Foreign | Ultimate Holding Company | Nil | 2(46) |

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Shareholding:

| Category of Shareholder | No. of Shares held at the beginning of the year (01.04.2017) | | | | No. of Shares held at the end of the year (31.03.2018) | | | | % Change during the year |
|---|--|--------------|----------------|-------------------|--|--------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) Promoter | | | | | | | | | |
| 1 Indian | | | | | | | | | |
| (a) Individuals/ HUF | - | - | - | - | - | - | - | - | - |
| (b) Central Government | - | - | - | - | - | - | - | - | - |
| (c) State Government(s) | - | - | - | - | - | - | - | - | - |
| (d) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| (e) Banks/Financial Institutions | - | - | - | - | - | - | - | - | - |
| (f) Others | - | - | - | - | - | - | - | - | - |
| Sub Total(A)(1) | - | - | - | - | - | - | - | - | - |
| 2 Foreign | | | | | | | | | |
| (a) NRIs-Individuals | - | - | - | - | - | - | - | - | - |
| (b) Other-Individuals | - | - | - | - | - | - | - | - | - |
| (c) Bodies Corporate | 4537189 | - | 4537189 | 75.00 | 4537189 | - | 4537189 | 75.00 | - |
| (d) Banks/Financial Institutions | - | - | - | - | - | - | - | - | - |
| (e) Others | - | - | - | - | - | - | - | - | - |
| Sub Total(A)(2) | 4537189 | - | 4537189 | 75.00 | 4537189 | - | 4537189 | 75.00 | - |
| Total Shareholding of Promoter Group (A) = (A)(1) + (A)(2) | 4537189 | - | 4537189 | 75.00 | 4537189 | - | 4537189 | 75.00 | - |
| (B) Public shareholding | | | | | | | | | |
| 1 Institutions | | | | | | | | | |
| (a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| (b) Banks/Financial Institutions | - | - | - | - | - | - | - | - | - |
| (c) Central Govt | - | - | - | - | - | - | - | - | - |
| (d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| (e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (f) Insurance Companies | 175 | 350 | 525 | 0.01 | 175 | 350 | 525 | 0.01 | - |
| (g) FIs | - | - | - | - | - | - | - | - | - |
| (h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (i) Others | - | - | - | - | - | - | - | - | - |
| Sub-Total (B)(1) | 175 | 350 | 525 | 0.01 | 175 | 350 | 525 | 0.01 | - |
| 2 Non-institutions | | | | | | | | | |
| (a) Bodies Corporate | | | | | | | | | |
| i) Indian | 459043 | 3300 | 462343 | 7.64 | 436946 | 2475 | 439421 | 7.26 | -0.38 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| (b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to 1 lakh | 802443 | 82139 | 884582 | 14.62 | 826395 | 61852 | 888247 | 14.68 | 0.06 |
| ii) Individual shareholders holding nominal share capital in excess of 1 lakh | 131293 | - | 131293 | 2.17 | 139592 | 0 | 139592 | 2.31 | 0.14 |
| (c) Others | - | - | - | - | - | - | - | - | - |
| i) NRIs | 32945 | - | 32945 | 0.55 | 27601 | - | 27601 | 0.46 | -0.09 |
| ii) Clearing Members | 710 | - | 710 | 0.01 | 475 | - | 475 | 0.01 | 0.00 |
| iii) IEPF | - | - | - | - | 16537 | 0 | 16537 | 0.27 | 0.27 |
| Sub-Total (B)(2) | 1426434 | 85439 | 1511873 | 24.99 | 1447546 | 64327 | 1511873 | 24.99 | 0.00 |
| Total Public Shareholding (B) = (B) (1) + (B)(2) | 1426609 | 85789 | 1512398 | 25.00 | 1447721 | 64677 | 1512398 | 25.00 | 0.00 |
| (C) Shares held by Custodians for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Sub-Total (C) | - | - | - | - | - | - | - | - | - |
| GRAND TOTAL (A)+(B)+(C) | 5963798 | 85789 | 6049587 | 100.00 | 5984910 | 64677 | 6049587 | 100.00 | 0.00 |

(ii) Shareholding of Promoters:

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year (01.04.2017) | | | Shareholding at the end of the year (31.03.2018) | | | % change in shareholding 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 | Alfamont (Mauritius) Limited | 4537189 | 75.00 | NIL | 4537189 | 75.00 | NIL | - |
| | Total | 4537189 | 75.00 | NIL | 4537189 | 75.00 | NIL | - |

(iii) Change in Promoter's Shareholding:

There was no change in Promoter's shareholding during the year.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | Particulars | Shareholding/ Transaction Date | Shareholding at the beginning of the year/ transactions during the year | | Cumulative Shareholding during the year | |
|---------|---------------------------------------|--------------------------------|---|----------------------------------|---|----------------------------------|
| | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | MILLINER AGENCIES PRIVATE LIMITED | | | | | |
| | At the beginning of the year | 01/04/2017 | 247119 | 4.08 | 247119 | 4.08 |
| | At the end of the year | 31/03/2018 | | | 247119 | 4.08 |
| 2 | SWARAN FINANCIAL PRIVATE LIMITED | | | | | |
| | At the beginning of the year | 01/04/2017 | 67352 | 1.11 | 67352 | 1.11 |
| | At the end of the year | 31/03/2018 | | | 67352 | 1.11 |
| 3 | DEEPAK MADHAV TUDAVEKAR | | | | | |
| | At the beginning of the year | 01/04/2017 | 47830 | 0.79 | 47830 | 0.79 |
| | At the end of the year | 31/03/2018 | | | 47830 | 0.79 |
| 4 | MARUTI BUSINESS SERVICES LIMITED | | | | | |
| | At the beginning of the year | 01/04/2017 | 35343 | 0.58 | 35343 | 0.58 |
| | At the end of the year | 31/03/2018 | | | 35343 | 0.58 |
| 5 | SPT INTERNATIONAL AND FINANCE LIMITED | | | | | |
| | At the beginning of the year | 01/04/2017 | 26524 | 0.44 | 26524 | 0.44 |
| | Sold | 07/04/2017 | 1050 | 0.02 | 25474 | 0.42 |
| | Sold | 14/04/2017 | 1250 | 0.02 | 24224 | 0.40 |
| | Sold | 21/04/2017 | 1220 | 0.02 | 23004 | 0.38 |
| | Sold | 28/04/2017 | 1250 | 0.02 | 21754 | 0.36 |
| | Sold | 05/05/2017 | 1000 | 0.02 | 20754 | 0.34 |
| | Sold | 12/05/2017 | 1155 | 0.02 | 19599 | 0.32 |
| | Sold | 19/05/2017 | 251 | 0.00 | 19348 | 0.32 |
| | Sold | 26/05/2017 | 100 | 0.00 | 19248 | 0.32 |
| | Sold | 09/06/2017 | 3100 | 0.05 | 16148 | 0.27 |
| | Sold | 26/06/2017 | 300 | 0.00 | 15848 | 0.26 |
| | Sold | 30/06/2017 | 440 | 0.01 | 15408 | 0.25 |
| | Sold | 07/07/2017 | 1630 | 0.03 | 13778 | 0.23 |
| | Sold | 14/07/2017 | 1280 | 0.02 | 12498 | 0.21 |
| | Sold | 21/07/2017 | 1202 | 0.02 | 11296 | 0.19 |
| | Sold | 28/07/2017 | 332 | 0.01 | 10964 | 0.18 |
| | Sold | 04/08/2017 | 1919 | 0.03 | 9045 | 0.15 |
| | Sold | 11/08/2017 | 2503 | 0.04 | 6542 | 0.11 |
| | Sold | 01/09/2017 | 800 | 0.01 | 5742 | 0.09 |
| | Sold | 27/10/2017 | 100 | 0.00 | 5642 | 0.09 |
| | Bought | 31/10/2017 | 100 | 0.00 | 5742 | 0.09 |
| | Sold | 01/12/2017 | 600 | 0.01 | 5142 | 0.08 |
| | Bought | 08/12/2017 | 200 | 0.00 | 5342 | 0.09 |

| Sl. No. | Particulars | Shareholding/ Transaction Date | Shareholding at the beginning of the year/ transactions during the year | | Cumulative Shareholding during the year | |
|---------|-------------------------------------|-----------------------------------|--|----------------------------------|---|----------------------------------|
| | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | Sold | 22/12/2017 | 300 | 0.00 | 5042 | 0.08 |
| | Sold | 29/12/2017 | 100 | 0.00 | 4942 | 0.08 |
| | Bought | 02/02/2018 | 100 | 0.00 | 5042 | 0.08 |
| | Sold | 09/02/2018 | 31 | 0.00 | 5011 | 0.08 |
| | Sold | 16/02/2018 | 68 | 0.00 | 4943 | 0.08 |
| | Bought | 23/02/2018 | 100 | 0.00 | 5043 | 0.08 |
| | Bought | 02/03/2018 | 40 | 0.00 | 5083 | 0.08 |
| | Bought | 09/03/2018 | 60 | 0.00 | 5143 | 0.09 |
| | Bought | 16/03/2018 | 32 | 0.00 | 5175 | 0.09 |
| | Bought | 23/03/2018 | 100 | 0.00 | 5275 | 0.09 |
| | At the end of the year | 31/03/2018 | | | 5275 | 0.09 |
| 6 | RUPESH BHUTORIA | | | | | |
| | At the beginning of the year | 01/04/2017 | 20000 | 0.33 | 20000 | 0.33 |
| | At the end of the year | 31/03/2018 | | | 20000 | 0.33 |
| 7 | SATSAHIB SECURITIES PRIVATE LIMITED | | | | | |
| | At the beginning of the year | 01/04/2017 | 19645 | 0.32 | 19645 | 0.32 |
| | Sold | 20/10/2017 | 45 | 0.00 | 19600 | 0.32 |
| | Sold | 03/11/2017 | 70 | 0.00 | 19530 | 0.32 |
| | Sold | 01/12/2017 | 253 | 0.00 | 19277 | 0.32 |
| | Sold | 22/12/2017 | 275 | 0.00 | 19002 | 0.31 |
| | Sold | 29/12/2017 | 50 | 0.00 | 18952 | 0.31 |
| | Sold | 05/01/2018 | 204 | 0.00 | 18748 | 0.31 |
| | Sold | 19/01/2018 | 15 | 0.00 | 18733 | 0.31 |
| | Sold | 09/02/2018 | 155 | 0.00 | 18578 | 0.31 |
| | Sold | 16/02/2018 | 46 | 0.00 | 18532 | 0.31 |
| | At the end of the year | 31/03/2018 | | | 18532 | 0.31 |
| 8 | ANURAG JHUNJHUNWALA | | | | | |
| | At the beginning of the year | 01/04/2017 | 15431 | 0.26 | 15431 | 0.26 |
| | Sold | 21/04/2017 | 49 | 0.00 | 15382 | 0.25 |
| | Sold | 19/05/2017 | 1859 | 0.03 | 13523 | 0.22 |
| | Sold | 13/09/2017 | 2536 | 0.04 | 10987 | 0.18 |
| | Sold | 13/10/2017 | 398 | 0.01 | 10589 | 0.18 |
| | Sold | 20/10/2017 | 8275 | 0.14 | 2314 | 0.04 |
| | Sold | 20/10/2017 | 2314 | 0.04 | 0 | 0.00 |
| | At the end of the year | 31/03/2018 | | | 0 | 0.00 |
| 9 | CHANDRAKANT MAGANLAL BABRIYA | | | | | |
| | At the beginning of the year | 01/04/2017 | 13309 | 0.22 | 13309 | 0.22 |
| | Sold | 16/06/2017 | 1600 | 0.03 | 11709 | 0.19 |
| | Sold | 23/06/2017 | 3500 | 0.06 | 8209 | 0.14 |
| | Sold | 07/07/2017 | 4800 | 0.08 | 3409 | 0.06 |
| | Sold | 14/07/2017 | 2628 | 0.04 | 781 | 0.01 |
| | Bought | 23/02/2018 | 200 | 0.00 | 981 | 0.02 |
| | At the end of the year | 31/03/2018 | | | 981 | 0.02 |
| 10 | JASHWANTIBEN MAHESHKUMAR DOSHI | | | | | |
| | At the beginning of the year | 01/04/2017 | 12150 | 0.20 | 12150 | 0.20 |
| | Sold | 23/06/2017 | 3000 | 0.05 | 9150 | 0.15 |
| | Sold | 30/06/2017 | 1500 | 0.02 | 7650 | 0.13 |
| | Sold | 14/07/2017 | 4500 | 0.07 | 3150 | 0.05 |
| | Sold | 17/11/2017 | 3150 | 0.05 | 0 | 0.00 |
| | At the end of the year | 31/03/2018 | | | 0 | 0.00 |

| Sl. No. | Particulars | Shareholding/ Transaction Date | Shareholding at the beginning of the year/ transactions during the year | | Cumulative Shareholding during the year | |
|---------|------------------------------|-----------------------------------|--|----------------------------------|---|----------------------------------|
| | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 11 | RADHEY SHYAM VIG | | | | | |
| | At the beginning of the year | 01/04/2017 | 9442 | 0.16 | 9442 | 0.16 |
| | Bought | 07/04/2017 | 830 | 0.01 | 10272 | 0.17 |
| | Bought | 14/04/2017 | 30 | 0.00 | 10302 | 0.17 |
| | Bought | 21/04/2017 | 508 | 0.01 | 10810 | 0.18 |
| | Bought | 28/04/2017 | 114 | 0.00 | 10924 | 0.18 |
| | Bought | 05/05/2017 | 1919 | 0.03 | 12843 | 0.21 |
| | Bought | 12/05/2017 | 1397 | 0.02 | 14240 | 0.24 |
| | Bought | 17/11/2017 | 1 | 0 | 14241 | 0.24 |
| | Bought | 09/02/2018 | 311 | 0.01 | 14552 | 0.24 |
| | At the end of the year | 31/03/2018 | | | 14552 | 0.24 |
| 12 | KANTA CHHAJER | | | | | |
| | At the beginning of the year | 01/04/2017 | 0 | 0.00 | 0 | 0.00 |
| | Bought | 18/08/2017 | 12686 | 0.21 | 12686 | 0.21 |
| | Bought | 09/03/2018 | 500 | 0.01 | 13186 | 0.22 |
| 13 | MAYUR MAHENDRABHAI SHAH | | | | | |
| | At the beginning of the year | 01/04/2017 | 0 | 0.00 | 0 | 0.00 |
| | Bought | 16/06/2017 | 700 | 0.01 | 700 | 0.01 |
| | Bought | 23/06/2017 | 500 | 0.01 | 1200 | 0.02 |
| | Bought | 30/06/2017 | 500 | 0.01 | 1700 | 0.03 |
| | Bought | 07/07/2017 | 1000 | 0.02 | 2700 | 0.04 |
| | Bought | 14/07/2017 | 3250 | 0.05 | 5950 | 0.10 |
| | Bought | 24/07/2017 | 7134 | 0.12 | 13084 | 0.22 |
| | At the end of the year | 31/03/2018 | | | 13084 | 0.22 |
| 14 | NARINDER BAJAJ | | | | | |
| | At the beginning of the year | 01/04/2017 | 11787 | 0.19 | 11787 | 0.19 |
| | Bought | 21/04/2017 | 363 | 0.01 | 12150 | 0.20 |
| | At the end of the year | 31/03/2018 | | | 12150 | 0.20 |

(v) Shareholding of Directors and Key Managerial Personnel:

| | | | | | | |
|---|------------------------------|------------|------|------|------|------|
| 1 | ASHOK KAPUR | | | | | |
| | At the beginning of the year | 01/04/2017 | 1050 | 0.02 | 1050 | 0.02 |
| | At the end of the year | 31/03/2018 | | | 1050 | 0.02 |
| 2 | VARSHA RAJE / RAVINDRA RAJE | | | | | |
| | At the beginning of the year | 01/04/2017 | 393 | 0.01 | 393 | 0.01 |
| | Bought | 16/06/2017 | 15 | 0.00 | 408 | 0.01 |
| | Bought | 07/07/2017 | 20 | 0.00 | 428 | 0.01 |
| | Bought | 14/07/2017 | 20 | 0.00 | 448 | 0.01 |
| | Bought | 21/07/2017 | 4 | 0.00 | 452 | 0.01 |
| | Bought | 28/07/2017 | 19 | 0.00 | 471 | 0.01 |
| | Bought | 25/08/2017 | 4 | 0.00 | 475 | 0.01 |
| | At the end of the year | 31/03/2018 | | | 475 | 0.01 |
| 3 | KIRTI VERMA / MAHESH VERMA | | | | | |
| | At the beginning of the year | 01/04/2017 | 150 | 0.00 | 150 | 0.00 |
| | At the end of the year | 31/03/2018 | | | 150 | 0.00 |

V. INDEBTEDNESS

The Company had no indebtedness with respect to Secured or Unsecured Loans or Deposits as on 31st March 2018.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

| Sl. No. | Particulars of Remuneration | Mr. Ashok K Kapur Wholetime Director | Total (₹ lakh) |
|---------|--|---|-------------------|
| 1 | Gross salary (a) Salary as per provisions of 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 | 35.39 - - | 35.39 - - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | - | - |
| 5 | Others | - | - |
| | Total (A) | 35.39 | 35.39 |
| | Ceiling as per the Act | | 35.65* |

*Being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013

B. Remuneration to other directors

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total (₹ lakh) |
|---------|---|------------------------|-------------------------|-------------------------|-------------------|
| 1 | Independent Directors | Jt. Gulab Gupta | Mohan C. Pant | Deepak Chaudhari | |
| | Fees for attending board/committee meetings | 0.68 | 0.71 | 0.50 | 1.89 |
| | Commission | - | - | - | - |
| | Others | - | - | - | - |
| | Total (1) | 0.68 | 0.71 | 0.50 | 1.89 |
| 2 | Other Non-Executive Directors | Sanjeev Jain | Ravindra K. Raje | Drushti R. Desai | |
| | Fees for attending board/committee meetings | 0.45 | 0.47 | 0.47 | 1.39 |
| | Commission | - | - | - | - |
| | Total (2) | 0.45 | 0.47 | 0.47 | 1.39 |
| | Total (B)=(1+2) | 1.13 | 1.18 | 1.15 | 3.29 |
| | Overall Ceiling as per the Act | | | | 7.13* |

* Being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013

Total Managerial Remuneration (A+B)

₹ 38.85 lakh

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | Total (₹ lakh) |
|---------|--|-----------------------------------|----------------------|-------------------|
| | | Mahesh Verma Company Secretary | Garvita Asati CFO | |
| 1 | Gross salary (a) Salary as per provisions of 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 u/s 17(3) Income tax Act, 1961 | 12.00 - - | 3.06 - - | 15.06 - - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| 5 | Others | - | - | - |
| | Total | 12.00 | 3.06 | 15.06 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of the Companies Act against the Company or its Directors or other Officers in default, during the year.

Annexure - V to the Board's Report
DETAILS PERTAINING TO REMUNERATION 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

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director/KMP for financial year 2017-18 (₹ lakh) | % increase in Remuneration in the Financial Year 2017-18 employees | Ratio of remuneration of each Director to median remuneration of employees | Comparison of the Remuneration of KMP against the performance of the Company |
|---------|---|--|--|--|--|
| 1 | Justice Gulab Gupta - Director* | - | - | - | |
| 2 | Deepak Chaudhuri - Director* | - | - | - | |
| 3 | Mohan C Pant - Director* | - | - | - | |
| 4 | Sanjeev Jain - Director* | - | - | - | |
| 5 | Ravindra K Raje - Director* | - | - | - | |
| 6 | Drushti Desai - Director* | - | - | - | |
| 7 | Ashok K Kapur - Wholetime Director | 35.39 | 0.52% | 17.03 | Profit after tax increased by 31.63% in the financial year 2017-18 |
| 8 | Mahesh Verma - Company Secretary | 12.00 | 3.45% | Not Applicable | |
| 9 | Garvita Asati - Chief Financial Officer | 3.06 | Not Applicable | Not Applicable | |

* The Non-Executive Directors of the Company are only entitled to sitting fees as per the statutory provisions, the details of which are provided in the Corporate Governance Report.

- ii) The median remuneration of employees of the Company during the financial year 2017-18 was ₹ 2.08 lakh.
- iii) In the financial year 2017-18, there was an increase of 3.31% in the median remuneration of employees.
- iv) There were 200 (excluding Whole-time Director) permanent employees on the rolls of Company as on 31st March, 2018.
- v) Relationship between average increase in remuneration and company performance: The Profit after tax for the financial year ended March 31, 2018 increased by 31.07% whereas the average remuneration increased by 6.61%.
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of Key Managerial Personnel reduced by 2.60% whereas the Profit after Tax increased by 31.07%.
- vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2018 was ₹ 8908.02 lakh, as compared to ₹ 7982.43 lakh as on 31st March 2017.
- b) Price Earnings ratio of the Company was 10.88 as at 31st March, 2018 as compared to 12.78 as at March 31, 2017.
- c) Percent increase in the market quotation of the shares of the company as compared to the rate at which the company came out with the last public offer in the year: The Company had come out with initial public offer (Rights Issue) in 1994-95. An amount of ₹ 1,000 invested in the said Rights Issue / IPO would be worth ₹ 22088 as on 31st March, 2018 indicating a compounded annual growth rate of 14.40% excluding the dividends paid out since the Rights Issue.
- viii) Average percentage increase in the salaries of employees other than the Key Managerial Personnel in the financial year i.e. 2017-18 was 7.56% whereas the managerial remuneration for the same financial year was reduced by 2.60%.
- ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - None of the employee is in receipt of remuneration in excess of the highest paid director.
- xi) The remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the implementation of best management practices, compliance of law and voluntary adherence to ethical standards which are inevitable for achieving organisational efficiency, enhancing shareholders value and discharge of social responsibility. The principle of good corporate governance is to ensure fairness in all transactions within and outside the company with investors, customers, employees, partners, competitors and the society at large. Adoption of Corporate Governance and disclosure practices attract the best of capital and talent for any organisation and create value and wealth on a sustainable and long term basis.

Governance practices may vary but the principles are generic and universal, viz. commitment of the Board in managing business ethically and in a transparent manner with the profit objective balanced by long term value equitably for all stakeholders. With increasing complexities in business of organizations, sound governance practices are indispensable to build and sustain trust.

Good corporate governance practices are also essential for a sustainable business model for generating long term value for the stakeholders.

The Company is committed to run its business in a legal, ethical and transparent manner with dedication that prevails throughout the organization. This report sets out the compliance status for the Company with the requirements of corporate governance, for the financial year 2017-18.

The corporate governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organisation viz. the board of directors, the senior management, employees, etc. Your Company has based its principles of Corporate Governance philosophy on transparency, accountability, values and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving excellence, growth and value creation. Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders. The company continuously endeavours to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy all round growth and development to take the company forward.

Your Company is in compliance with the requirements of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal control and promotion of ethics at work place have been institutionalized. The following codes and policies have been adopted by the Company:

- Code of Conduct
- Code of Internal Procedure and Conduct for insider Trading
- Whistle Blower Policy
- Related Party Transactions Policy
- Corporate Social Responsibility Policy
- Sexual Harassment Policy
- Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- Board Performance Evaluation Policy
- Risk Management Policy

The Board of Directors of the Company has an optimum combination of Executive and Independent Non-Executive Directors who have an in- depth knowledge of business, in addition to the expertise in their areas of specialization. The Board provides leadership, strategic guidance and an independent view to the Company's management.

BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with the Listing Regulations and the Companies Act, 2013 ("the Act").

The Company's policy is to maintain optimum combination of Executive, Non-Executive and independent Directors. The members of the Board are from diverse backgrounds with skills and experience in different sectors like technology, finance, legal, power and general management. With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Harassment Committee.

The Company Secretary is primarily responsible for ensuring compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. The Company Secretary plays a key role in ensuring that the procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making.

The Board comprises of seven Directors, One Executive Director (Wholtime Director), three Non-Executive Non-Independent Directors (including one Woman Director) and three Non-Executive Independent Directors. The composition of the Board is in conformity with the Companies Act, 2013 and Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Directors are related to each other.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in SEBI Listing Regulations, across all the companies in which he/she is a Director Necessary disclosures regarding Committee positions in other public companies as at March 31, 2018 have been made by the Directors.

Composition and category of Directors vis-à-vis their attendance at meetings

Details of attendance of Directors at Board Meetings and at the last year's Annual General Meeting together with particulars of their Directorship and Chairmanship/Membership of Board Committees as on 31st March, 2018, are as under:

| Name of Directors | Category# | Attendance at | | | Directorships and Chairmanship/Memberships of Board Committees in Indian Public Companies | | |
|-----------------------|-----------|---------------------|----------|----------------|---|-----------------------|-------------------------|
| | | Board Meetings Held | Attended | AGM 20.09.2017 | Directorships* | Committee Membership* | Committee Chairmanship* |
| Justice Gulab Gupta | ID | 4 | 4 | Yes | - | 1 | 1 |
| Mr. Deepak Chaudhuri | ID | 4 | 4 | Yes | - | 1 | - |
| Mr. Mohan C. Pant | ID | 4 | 4 | Yes | - | 2 | 1 |
| Mr. Sanjeev Jain | NI & NED | 4 | 4 | No | 2 | 2 | 1 |
| Mr. Ravindra K. Raje | NI & NED | 4 | 4 | No | 2 | 2 | 1 |
| Mrs. Drushti R. Desai | NI & NED | 4 | 3 | No | 5 | 7 | 4 |
| Mr Ashok K. Kapur | ED | 4 | 4 | Yes | 1 | 1 | - |

#ID: Independent Director; NI: Non-Independent Director; NED: Non-Executive Director; ED: Executive Director

**The above does not include any Alternate Directorships and Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies. Memberships/Chairmanships of only the Audit Committees and Stakeholders' Relationship Committees of Public Limited Companies have been considered.*

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed company, he/she does not hold the position of Independent Director in more than three listed companies.

The Company has held at least one Board meeting in every three months and the maximum time gap between any such two meetings was not more than one hundred and twenty days. During the year ended 31st March, 2018, the Company held four Board meetings. The dates of which the Board Meetings were held were: 23rd May, 2017, 7th August, 2017, 4th December, 2017 and 7th February, 2018

Profile of Director

A brief profile of Director being appointed/re-appointed, nature of her expertise in specific functional areas and names of companies in which she hold directorships, memberships/ chairmanships of Board Committees and her shareholding in the Company, if any, are provided below:

Ms. Drushti R. Desai (DIN: 00294249) is a Commerce Graduate and Fellow member of the Institute of Chartered Accountants of India. She is a partner in Bansil S Metha & Co and has wide experience in the field on taxation and audit. She is presently on the Board of MT Educare Ltd., Globallogic Technologies Limited, GlobalLogic India Limited, Kewal Kiran Clothing Limited, Chemfab Alkalies Limited and Narmada Gelatines Limited.

She does not hold any shares in the company as on 31st March, 2018.

Board Procedure

The Agenda and Notes on Agenda for Board Meetings are circulated to Directors in advance. All material information is incorporated therein to facilitate meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, any other matters are discussed with the permission of the Chairman of the Board meeting.

Recording minutes of proceedings at Board and Committee meetings

The Company Secretary records the minutes of proceedings of Board and Committee meetings. Draft minutes are circulated to members of the Board / Committees for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

Post-meeting follow-up mechanism

Management takes actions on the decisions and directions arising out of the discussions of the Board/ Committees Meetings. Important decisions taken at meetings of the Board/Committees are communicated promptly to the concerned departments/ divisions.

An action taken report on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Board Committees for review and follow-up.

Compliance

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

The Board of Directors is provided with all the information and update on the subjects detailed under and have complete access to any information within the Company.

- Annual operating plans and budgets and updates
- Capital budgets and updates
- Quarterly / annual financial results of the company
- Minutes of meetings of board, audit committee and other committees of the board
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- Information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company
- Significant labour problems and their proposed solutions
- Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc
- Sale of material nature of investments, assets, which is not in the normal course of business
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfers, etc
- Quarterly compliance certificates which includes non-compliance of any regulatory, statutory nature or listing requirements and shareholders service
- Appointment, remuneration and resignation of Directors
- Proposals requiring strategic guidance and approvals of the Board of Directors
- Related party transactions
- Formation and reconstitution of Board Committees and their terms of reference
- Declarations by Independent Directors
- Disclosures of interest of Directors and their shareholding
- Appointment and fixing of remuneration of Statutory Auditors as recommended by the Audit Committee
- Appointment of Internal Auditors and Secretarial Auditors
- Discussion on reports and observations of Internal and Statutory Auditors
- Dividend declaration
- Making of loans and investment of surplus funds
- Proposal for major investments, merger, amalgamations
- Borrowing money, giving guarantees or providing security in respect of loan
- Issue of securities, shares, debentures

Independent Directors

All the Independent Directors of the Company have been appointed as per the provisions of the Act and rules thereunder. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the company's website at www.narmadagelatines.com

A separate meeting of Independent Directors of the Company was held on 7th February, 2018, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. All the Independent Directors were present at the Meeting. The Independent Directors expressed satisfaction on the performance of the non-independent directors in the functioning of the company and on the performance of the Board as a whole.

At the meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole.

Directors' Familiarization programme

The Company has an orientation process/familiarization programme for its independent and other directors that includes briefing on their role, responsibilities, duties, and obligations as a member of the Board, nature of business of the Company, plant visit, manufacturing process, quality, safety measures in place, CSR activities etc., matters relating to Corporate Governance, Code of Business Conduct, Risk Management, Compliance Programs, Internal Audit, etc. and introduction to senior management team. This provides insights into the Company to enable the Independent Directors to understand the Company's business in depth that would facilitate their active participation in managing the Company.

As a process, when a new independent director is appointed, a detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors.

Efforts are made to continually update the Independent Directors on all important developments within the Company and regulatory changes viz. sharing important developments in the industry, the company's internal environment and external environment, industrial

relations, updates on demand and supply situation for the Company's products, etc.

All new directors appointed on the Board go through an orientation process/familiarization programme. At the time of appointment of an independent director, a formal letter of appointment is issued by the Company which contains their role, functions, duties and responsibilities. The format of the letter of appointment is available on the company's website (www.narmadagelatines.com). The details of training and familiarisation program are provided in the Corporate Governance Report and also available on the website of the company.

Directors and Board Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee and other Committees.

An evaluation of the performance of individuals, on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc was carried out. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation Non Independent Directors was carried out by the Independent Directors. The Directors expressed satisfaction with the evaluation process.

BOARD COMMITTEES

The Board has constituted six Committees, namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Risk Management Committee and Complaints Committee. The Board is authorised to constitute additional functional Committees, from time to time, depending on business needs.

1. Audit Committee

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements.

The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board. The Audit Committee shall have authority to investigate any matter within the terms of reference or referred to it by the Board.

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The terms of reference of the Audit Committee covers all the areas mentioned under Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Audit Committee, inter-alia, are as follows:

- Reviewing the financial reports and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed in the reports.
- Recommending the appointment and removal of internal and external auditors, fixation of audit fee and other payments.
- Reviewing the financial statements and draft audit report, including quarterly / half yearly financial information.
- Reviewing with management the quarterly and annual financial statements before submission to the Board focusing primarily on:
 - any changes in accounting policies and practices;
 - major accounting entries based on exercise of judgment by management;
 - qualifications in draft audit report;
 - significant adjustments arising out of audit;
 - the going concern assumption;
 - compliance with accounting standards;
 - compliance with stock exchange and legal requirements concerning financial statements;
 - approval or any subsequent modification of transactions of the company with related parties;
 - reviewing the Company's financial and risk management policies;
 - disclosure of contingent liabilities;
 - scrutiny of inter-corporate loans and investments;
 - valuation of undertakings or assets of the company, wherever it is necessary;
 - monitoring the end use of funds raised through public offers and related matters.
- Reviewing with the management, and internal auditors, the adequacy of internal financial controls and risk management.
- Reviewing the adequacy of internal audit function, including the audit charter, approval of the audit plan and its execution, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- 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.
- Looking into the reasons for substantial defaults in payments to the shareholders (in case of non-payment of declared dividends) and creditors.

- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate.
- Carry out such other functions as may be specifically referred to the Committee by the Board of Directors or other Committee of Directors.

Composition and Attendance during the year

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2018 are as under:

| Director | Category | No. of Meetings held | No. of Meetings attended |
|--------------------------------|------------------------------------|----------------------|--------------------------|
| Justice Gulab Gupta - Chairman | Non-Executive Independent Director | 4 | 4 |
| Mr. Deepak Chaudhuri | Non-Executive Independent Director | 4 | 4 |
| Mr. Mohan C. Pant | Non-Executive Independent Director | 4 | 4 |
| Mrs. Drushti R. Desai | Non-Executive Director | 4 | 3 |

The Audit Committee met four times during the year and the gap between two meetings did not exceed 120 days. The dates on which Audit Committee Meetings held were: 23rd May, 2017, 7th August, 2017, 4th December, 2017 and 7th February, 2018. Necessary quorum was present at the above Meetings.

The Audit Committee Meetings are usually attended by the Whole-time Director, Chief Financial Officer and representatives of the Statutory Auditors and Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 20th September, 2017.

Mrs. Drushti R. Desai, Director and member of the Audit Committee possesses expert financial and accounting knowledge and is a Fellow member of the Institute of Chartered Accountants of India.

Internal Controls

The Company has a formal system of internal control which examines operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances.

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements), 2015.

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- To carry out evaluation of every director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
- To carry out any other function as is mandated by the Board from time to time.

Composition and Attendance during the year

The composition of the Committee and the details of meetings attended by its members during the financial year ended 31st March, 2018, are given below:

| Director | Category | No. of Meetings held | No. of Meetings attended |
|---------------------------------|--------------------------------------|----------------------|--------------------------|
| Mr. Deepak Chaudhuri – Chairman | Non - Executive Independent Director | 3 | 3 |
| Justice Gulab Gupta | Non - Executive Independent Director | 3 | 3 |
| Mr. Sanjeev Jain | Non - Executive Director | 3 | 3 |

The Nomination and Remuneration Committee met three times during the year on 23rd May, 2017, 7th August, 2018 and 4th December, 2017. The Chairman of the Committee was present at the Annual General Meeting of the Company held on 20th September, 2017.

Remuneration Policy

The Nomination and Remuneration Committee has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors, CEO, CFO, Managing Director and Whole-time Director and their remuneration. The Policy is available on the company's website (www.narmadagelatines.com).

Details of remuneration paid during the financial year 2017-18:
a) Non-Executive Directors

The Company pays a sitting fee of ₹ 15,000/- (₹ 10000/- till 6.2.2018) per meeting to the Non-Executive Directors for attending Meetings of the Board, ₹ 4000/- per meeting for attending the Audit Committee Meeting and ₹ 2500/- per meeting for Nomination and Remuneration Committee and Stakeholders' Relationship Committee Meeting.

Sitting fees paid to the Non-Executive Directors for 2017-18 are as detailed below:

| S. No. | Director's Name | (₹ lakh) |
|--------------|-----------------------|-------------|
| 1 | Justice Gulab Gupta | 0.68 |
| 2 | Mr. Mohan C. Pant | 0.71 |
| 3 | Mr. Deepak Chaudhuri | 0.50 |
| 4 | Mr. Ravindra K. Raje | 0.47 |
| 5 | Mr. Sanjeev Jain | 0.45 |
| 6 | Mrs. Drushti R. Desai | 0.47 |
| Total | | 3.29 |

b) Wholtime Director and Executive Director(s)

The aggregate value of the salary and perquisites paid for the year ended 31st March, 2018 to the Whole-time Director was ₹ 35.39 lacs. Besides this, the Whole-time Director is entitled to gratuity and encashment of leave at the end of tenure of service. The current agreement with the Whole-time Director is for a period of 3 years from the date of appointment and the same can be terminated by either party by giving three months' notice in writing.

3. Stakeholders' Relationship Committee

The constitution of the Stakeholders' Relationship Committee meets with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements), 2015.

In terms of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations, the terms of reference of the Stakeholders Relationship Committee are as under:

- Oversee and review all matters connected with the transfer of the Company's securities
- Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend, etc.
- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

The composition of the Stakeholders Relationship Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2018 are as under:

| Director | Category | No. of Meetings held | No. of Meetings attended |
|------------------------------|------------------------------------|----------------------|--------------------------|
| Mr. Mohan C. Pant – Chairman | Non-Executive Independent Director | 1 | 1 |
| Mr. Ashok K. Kapur | Whole-Time Director | 1 | 1 |
| Mr. Ravindra K. Raje | Non-Executive Director | 1 | 1 |

During the year, the Committee met on 7th February, 2018. The Committee oversees the status of investors grievance. During the year, two investor complaints were received by the Company as on 31st March, 2018 there were no complaints pending for reply.

Mr. Mahesh Verma, Head – Finance & Secretarial is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

The Board has delegated the power of approving transfer of shares and issue of duplicate certificates to the Whole-Time Director and Company Secretary.

4. Corporate Social Responsibility (CSR) Committee

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013. The terms of reference of the CSR Committee broadly comprises:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on CSR activities.
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The Board has adopted the CSR Policy as formulated and recommended by the CSR Committee. The same is displayed on the website of the Company (www.narmadagelatines.com) The Annual Report on CSR activities for the year 2017-18 forms a part of the Board's Report.

The composition of the CSR Committee and the details of members' participation at the meetings of the Committee are as under:

| Director | Category | No. of Meetings held | No. of Meetings attended |
|------------------------------|------------------------------------|----------------------|--------------------------|
| Mr. Mohan C. Pant – Chairman | Non-Executive Independent Director | 2 | 2 |
| Mr. Sanjeev Jain | Non-Executive Director | 2 | 2 |
| Mr. Ashok K Kapur | Whole-Time Director | 2 | 2 |

During the year, two CSR Committee meetings were held on 26th May, 2017 and 7th February, 2018.

5. Risk Management Committee

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements), 2015. The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company. The Committee is responsible for reviewing the Risk Management Plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Business Risk Evaluation and Management is an ongoing process within the organisation. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the Risk policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluates treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, and mitigation and reporting of risks;
- Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

The composition of the Risk Management Committee and the details of members' participation at the meetings of the Committee are as under:

| Director / Members | Category | No. of Meetings held | No. of Meetings attended |
|-------------------------------|----------------------------|----------------------|--------------------------|
| Mr. Ravindra K. Raje–Chairman | Non-Executive Director | 1 | 1 |
| Mr Ashok K. Kapur | Whole-Time Director | 1 | 1 |
| Mr. Sudhir K. Shrivastava | Factory Manager | 1 | 1 |
| Mr S. Bhattacharya | HOD–Purchase & Maintenance | 1 | 1 |

During the year, a meeting of the committee was held on 7th February, 2018.

CODE OF BUSINESS CONDUCT & ETHICS

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 and the Companies Act, 2013 the Board of the Company has adopted the Code of Business Conduct & Ethics ('the Code'). The Code is applicable to all Directors and Senior management personnel of the Company. The Code, while laying down in detail the standards of business conduct, ethics and governance, centres on the following theme:

The Company's Board of Directors and Senior Management Personnel are responsible for conduct of the business, and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. A copy of the Code has been put on the Company's website (www.narmadagelatines.com). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually. A declaration signed by the Whole-time Director of the Company to confirm that the Company has adopted a Code of Conduct for its Directors and employees of the Company is given below.

Compliance with the Code of Conduct

I Ashok K. Kapur, Whole-time Director of M/s Narmada Gelatines Limited do hereby confirm that the Company has, in respect of the financial year ended March 31, 2018, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

Ashok K. Kapur
Whole-time Director

GENERAL BODY MEETINGS

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

| AGM | Year | Venue | Date & Time | Special Resolutions |
|------|---------|---|---|---|
| 54th | 2014-15 | Hotel Narmada Jacksons, South Civil Lines Jabalpur | Monday, 17 th September, 2015 11:30 a.m. | None |
| 55th | 2015-16 | Hotel Narmada Jacksons, South Civil Lines, Jabalpur | Thursday, 22 nd September, 2016 11:30 a.m. | Re-Appointment of Mr Ashok K. Kapur, as the Whole-time Director |
| 56th | 2016-17 | Hotel Narmada Jacksons, South Civil Lines, Jabalpur | Wednesday, 20 th September, 2017 11:30 a.m. | None |

During the year ended 31st March, 2018, there were no resolutions passed by the Company's members through Postal Ballot. For the ensuing Annual General Meeting also, there are no resolutions proposed to be passed through Postal Ballot.

Remote e-voting and ballot voting at the AGM

The company has arranged for remote e-voting facility for the shareholders to vote on the resolutions to be passed at the ensuing AGM. Members whose names appear on the register of member as on 19th September, 2018, shall be eligible to participate in the e-voting. The facility for voting through ballot will also be made available at the AGM, and the members who have not casted their votes by remote e-voting can exercise their votes at the AGM.

DISCLOSURES

Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulations of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, during the financial year were in the ordinary course of business and on an arms length pricing basis and as per the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Attention of the Shareholders is drawn to the disclosures of transactions with the related parties set out in Notes on Financial Statements, forming part of the Annual Report.

The Policy for related party transactions is available on the Company's website (www.narmadagelatines.com).

Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

CEO & MD / CFO Certification

The CEO & WTD and the CFO have issued certificate pursuant to the provisions of Regulation 17(8) SEBI (Listing Obligations and Disclosure Requirements), 2015 certifying that the financial statements do not contain any 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.

Vigil Mechanism / Whistle Blower Policy

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. Any actual or potential violation of these principles and the Company's Code of Conduct for Employees would be a matter of serious concern for the Company.

Employees have a role and responsibility in pointing out such violations. This Whistle Blower Policy is formulated to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practices, acts or activities in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees who report such practices in good faith.

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 Company Secretary is responsible for implementation of the Code.

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

Means of Communication

The quarterly, half-yearly and yearly financial results of the Company are sent to Stock Exchanges immediately after they are approved by the Board. These are widely published in leading financial/ non-financial newspapers such as Financial Express, Hitvada, Navbharat, Dainik Bhaskar, Raj Express, Nai Duniya and Patrika, having all-India and regional coverage.

The Annual Report containing inter alia, Audited Financial Statements, Directors' Report, Auditors' Report, Notice of Annual General Meeting with explanatory notes and other important annexure / information is circulated to members and others entitled thereto.

Annual reports, quarterly results, shareholding pattern and other important information of the Company are also posted on the BSE website www.listing.bseindia.com and the Company's website www.narmadagelatines.com

Management Discussion and Analysis Report forms part of the Annual Report.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

GENERAL SHAREHOLDER INFORMATION

- **Company Registration Details** : The Company is registered in the State of Madhya Pradesh, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24111MP1961PLC016023.
- **Annual General Meeting-** : Wednesday, 26th September, 2018 at 11:30 am
- **Day, Date, Time & Venue** : Hotel Satya Ashoka, Wright Town, Jabalpur
- **Financial Year** : April 1 to March 31
- **Financial Calendar 2018-19** :
 First Quarter Results : 1st August to 14th August 2018
 Second Quarter Results : 1st November to 15th November, 2018
 Third Quarter Results : 1st February to 15th February, 2019
 Results for the quarter and Annual Results for the year ending on 31st March, 2019 : 15th May to 30th May 2019
- **Book Closure period** : 20th September, 2018 to 26th September, 2018 (both days inclusive)
- **Dividend payment date** : Dividends as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after 26th September, 2018 to those shareholders whose names appear on the Company's Register of Members on 19th September, 2018.
- **Listing of Shares and other Securities** : Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
- **Stock Code** : **Scrip Code** : Bombay Stock Exchange (BSE) "526739"
Company Symbol : NARMADA GELA
- **Stock Market Data** : The monthly high/ low market prices of the equity shares of the company during the year 2017-18 at the Bombay Stock Exchange Limited (BSE) were as under:

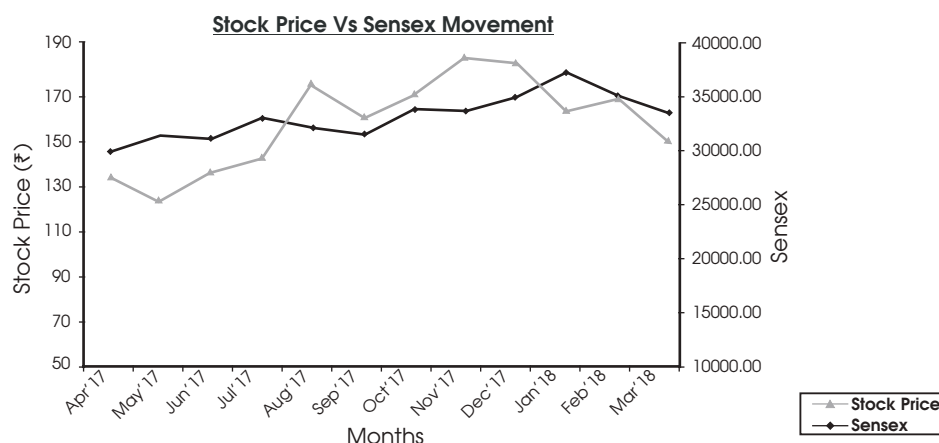
(₹ per share)

| Month | High Price | Low Price |
|---------|------------|-----------|
| Apr' 17 | 157.00 | 128.00 |
| May' 17 | 140.00 | 121.00 |
| Jun' 17 | 140.00 | 124.60 |
| Jul' 17 | 154.50 | 133.05 |
| Aug' 17 | 179.80 | 138.00 |
| Sep' 17 | 174.90 | 152.00 |
| Oct' 17 | 174.00 | 153.60 |
| Nov' 17 | 179.25 | 152.30 |
| Dec' 17 | 196.90 | 155.00 |
| Jan' 18 | 182.05 | 152.10 |
| Feb' 18 | 176.00 | 140.05 |
| Mar' 18 | 163.00 | 132.10 |

(Source BSE website)

Share Performance compared with broad based indices

| | | BSE |
|-----------------------|------------------|------------|
| Company's Share Price | As on 1.04.2017 | 139.00 |
| | As on 31.03.2018 | 147.25 |
| | Change | +5.94% |
| BSE Sensex | As on 1.04.2017 | 29737.73 |
| | As on 31.03.2018 | 35176.42 |
| | Change | +18.29% |

Performance of Share price in comparison to the BSE Sensex

Registrar & Share Transfer Agents

C.B. Management Services Pvt. Ltd
P-22 Bondel Road,
Kolkata 700 019
Phone: (033) 4011 6700, 2280; Fax: (033) 4011 6739
Email: rta@cbmsl.com

Dividend declared for the last five years

| Year | On Equity Shares |
|--------------------|-------------------------|
| 2012-13 | 50% |
| 2013-14 | 50% |
| 2014-15 | 35%* |
| 2015-16 | 40% |
| 2016-17 | 40% |
| 2017-18 (Proposed) | 40% |

* after bonus issue of 1:2

Share Transfer System

Shares sent for transfer in physical form are registered and returned by the Company's Registrar and Share Transfer Agent in about 20-25 days of the receipt of documents, provided documents are found in order. Shares under objections are returned within two weeks. The Board has delegated the authority for approving transfer, transmission of shares to a Share Transfer Committee, under supervision of Stakeholders' Relationship Committee of the Board.

In compliance with the Listing Agreement / SEBI Guidelines:

- A Practicing Company Secretary carries out Reconciliation of Share Capital Audit on "Dematerialised shares and shares in Physical form" every quarter and the necessary reports issued by him are filed with the Stock Exchanges.
- The shares in Dematerialised form and Physical form tally with the issued/paid-up capital of the Company.
- Shareholding pattern and financial results (quarterly) and the Annual Reports (annually) are being uploaded on www.listing.bseindia.com

A Practicing Company Secretary carries out a Due Diligence survey, pertaining to share transfers, transmissions, etc. every six months and necessary certificates to that effect are issued and the same are filed with the Stock Exchanges in compliance with Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements), 2015.

• **Distribution of Shareholding**

The distribution of shareholding as on 31st March 2018 is given below:

| Range (No. of shares) | Shareholders | | Equity Shares | |
|-----------------------|--------------|--------------------------|------------------|-------------------|
| | Nos. | % to Total Share holders | Nos. | % to Total Shares |
| Upto 500 | 2,124 | 83.29 | 2,83,981 | 4.69 |
| 501 - 1000 | 217 | 8.51 | 1,67,868 | 2.77 |
| 1001 - 2000 | 100 | 3.92 | 1,47,687 | 2.44 |
| 2001 - 3000 | 40 | 1.57 | 1,00,667 | 1.67 |
| 3001 - 4000 | 15 | 0.59 | 51,037 | 0.84 |
| 4001 - 5000 | 16 | 0.63 | 71,686 | 1.19 |
| 5001 - 10000 | 23 | 0.94 | 1,54,797 | 2.56 |
| 10001 and above | 15 | 0.59 | 50,71,864 | 83.84 |
| Total | 2,550 | 100.00 | 60,49,587 | 100.00 |

• **Dematerialisation of shares as on 31st March, 2018**

The total Equity Share Capital of the Company held in dematerialised form with NSDL & CDSL and in physical form are as follows:

| Category | No. of shares | % |
|--------------|------------------|---------------|
| Demat | 59,84,910 | 98.93 |
| Physical | 64,677 | 1.07 |
| Total | 60,49,587 | 100.00 |

• **Shareholding pattern of the Company as on 31st March, 2018**

| Category | No. of shares | % holding |
|----------------------|------------------|---------------|
| Promoters | 45,37,189 | 75.00 |
| NRIs | 27,601 | 0.46 |
| Indian Institutions | 525 | 0.01 |
| Nationalised Banks | Nil | Nil |
| Domestic Companies | 4,39,896 | 7.27 |
| Public Shareholders | 10,26,164 | 16.96 |
| Directors/ Relatives | 1,675 | 0.03 |
| IEPF | 16,537 | 0.27 |
| Total | 60,49,587 | 100.00 |

• **Registered Office**

'Caravs', Room No. 28
15 Civil Lines, Jabalpur – 482001 (M.P.) Ph.: (0761) 2678627

• **Address for Correspondence**

To the Company :
Narmada Gelatines Limited
Caravs, 15 Civil Lines
P.O. Box No. 91, Jabalpur - 482001

To the Registrar & Share transfer Agents:
P-22 Bondel Road
Kolkata-700 019
Phone: (033) 40116700, 2280 Fax: (033) 40116739
Email: rta@cbmsl.com

• **Plant Location**

Meerganj, Bheraghat Road, Jabalpur, M.P

• **Transfer of Unclaimed amounts to Investor Education and Protection Fund**

Pursuant to Sections 124 and 125 of the Companies Act, 2013, all unclaimed / unpaid dividend, debenture interest as well as principal amount of debentures as at 31st March, 2018 remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have been transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government.

Shareholders/ debentureholders are hereby informed that the Company is statutorily required to transfer to the IEPF all unclaimed/unpaid dividend, debenture interest and interest on debentures as well as principal amount of debentures remaining unpaid/unclaimed for a period of seven years from the date they became due for payment and once such amounts are transferred to the IEPF, no claim of the shareholder/ debentureholder shall lie against the Company or the IEPF.



The Investors are advised to claim the unencashed equity dividend money for the years 2010-11 to 2016-17 lying in the unclaimed accounts of the Company before the due dates (as indicated in the Notes to the Notice).

During the financial year 2017-18, the Company has transferred to the Investor Education and Protection Fund, unclaimed dividends as detailed hereunder:

9% Preference Share Second Redemption unclaimed amount : ₹ 6,31,204/-

Equity Share Unclaimed Dividend 2009-10 : ₹ 1,04,973/-

• **Transfer of Equity Shares to Investor Education and Protection Fund**

As per Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), as amended from time to time, equity shares of the Company in respect of which dividends for seven consecutive years or more remaining unpaid or unclaimed as are liable to be transferred to the demat account of the IEPF:

During the financial year 2017-18 the company has transferred 16537 numbers of Equity Shares to the Investor Education and Protection Fund

CEO/ CFO Certificate

The Whole-Time Director and the Chief Financial Officer provide annual certification on the financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Whole-Time Director and the person heading the Accounts function also give quarterly certification on the financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The annual certificate for the financial year ended 31st March, 2018, given by the Whole-time Director and Chief Financial Officer of the Company is published hereunder:

To,
The Board of Directors Narmada Gelatines Ltd. Jabalpur

Sub: Compliance Certificate for the year ended 31st March, 2018 as per Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Sir,

Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we hereby certify that, to the best of our knowledge and belief:

- A. That we have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. That, to the best of our knowledge and belief, no transactions were entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. That we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. That we have indicated to the auditors and the Audit committee:
 1. significant changes in internal control over financial reporting during the year, if any;
 2. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Thanking you,

Sd/-

Ashok K. Kapur
(Whole Time Director)

Place : Jabalpur
23rd May, 2018

Sd/-

Garvita Asati
(Chief Financial Officer)

On behalf of the Board of Directors

Place : Jabalpur
Date : 29th May, 2018

Ravindra K. Raje
Director

Ashok K. Kapur
Whole-time Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
the Members of Narmada Gelatines Limited

I have examined the compliance of the conditions of Corporate Governance by Narmada Gelatines Limited ('the Company') for the year ended 31st March 2018, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of 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 my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

Place: Jabalpur
Date: 3rd May, 2018

DR. ASIM KUMAR CHATTOPADHYAY
Practicing Company Secretary
FCS No. 2303
CP No. 880

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NARMADA GELATINES LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying financial statements of NARMADA GELATINES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash flows, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and relevant rules thereunder.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its profit (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Other Matters

Opening balances have been considered based on the audited financial statements prepared under previous Generally Accepted Accounting Practices (Previous GAAP) issued by the other auditors whose unqualified audit report dated 29th May, 2017 have been furnished to us. The differences arising from transition from Previous GAAP to Ind AS have been derived from such audited financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity, 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 Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to other matter to be included in the Auditor's Report in accordance with the 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 :
- The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements- Refer Note 33 to the Ind AS financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For LODHA & CO.

Chartered Accountants

Firm Registration No: 301051E

Jabalpur
29th May, 2018

A.M. Hariharan

Partner

Membership No. 38323

"ANNEXURE A"

ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED 31st MARCH, 2018

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).
 - As explained to us, the Company has a phased program for physical verification of property, plant and equipment (fixed assets) over a period of three years. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its property, plant and equipment (fixed assets). Pursuant to the program of the physical verification of fixed assets, physical verification of the assets has been carried out during the year and no material discrepancies were noticed on such verification.
 - Based on 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 are held in the name of the Company.
- The Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and records were not material in relation to the operations of the company and the same has been properly dealt within the books of accounts.
- 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) of the Order are not applicable to the Company.
- The Company has not granted any loans, made investments, provided guarantees and security during the year. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- No deposits within the meaning of directives issued by Reserve Bank of India and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.
- According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Orders are not applicable to the Company.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues

were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the disputed dues on account of income tax, Excise duty, goods and service tax, and Sales tax which have not been deposited as at 31st March, 2018 is as under:

| Nature of Statute | Period to which it relates | Amount ₹ lakh | Forum at which it is pending |
|-------------------|----------------------------|---------------|------------------------------|
| Income Tax | 2012-13 | 5.50 | Commissioner Appeals |
| Excise Duty | 2000-03 | 241.63 | High Court, Jabalpur |
| Sales Tax | 2004-05 | 2.65 | Appellate Tribunal Bhopal |
| Sales Tax | 2005-06 | 17.44 | Appellate Tribunal Bhopal |
| Sales Tax | 2009-10 | 10.06 | Appellate Tribunal Bhopal |
| Sales Tax | 2012-13 | 3.76 | Deputy Commissioner |

8. The Company has not defaulted in repayment of loans or borrowings to banks during the year. The Company has not taken any loans or borrowings from financial institution, government and debenture holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations given to us and based on examination of records of the Company, managerial remuneration has been paid or provided for during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, all transactions with the related party are in compliance with Section 177 and 188 of the Act and the details have been disclosed as required by the applicable Ind AS in Note 34 to the Financial Statements.
14. The Company has not made preferential allotment or private placement of shares during the year.
15. Based on the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E

Jabalpur
29th May, 2018

A.M. Hariharan
Partner
Membership No. 38323

“ANNEXURE B”**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT**

We have audited the internal financial controls over financial reporting of NARMADA GELATINES LIMITED (“the Company”) as of 31st March, 2018 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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 over financial reporting was established and maintained and if 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on “the internal control over financial reporting 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.

For LODHA & CO
Chartered Accountants
Firm Registration No: 301051E

A.M. Hariharan
Partner
Membership No. 38323

Jabalpur
29th May, 2018

BALANCE SHEET

as on 31st March, 2018

(All amounts in Indian rupee lakh, unless otherwise stated)

| PARTICULARS | Notes | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--------------------------------------|-------|--------------------------|--------------------------|-------------------------|
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 3 | 2534.21 | 2152.24 | 2249.99 |
| Capital work-in-progress | 4 | 0.21 | 0.21 | 0.21 |
| Intangible assets | 5 | 0.58 | 1.60 | 2.92 |
| Financial assets: | | | | |
| - Investments | 6 | 4931.88 | 3604.19 | 3505.27 |
| Other non-current assets | 7 | 3.86 | 8.20 | 2.19 |
| Total Non-Current Assets | | 7470.75 | 5766.43 | 5760.58 |
| CURRENT ASSETS | | | | |
| Inventories | 8 | 2952.29 | 3822.83 | 3606.03 |
| Financial assets: | | | | |
| - Investments | 9 | 325.27 | 878.03 | 282.91 |
| - Trade receivables | 10 | 1910.93 | 1605.29 | 1678.55 |
| - Cash and cash equivalents | 11 | 264.19 | 150.44 | 105.30 |
| - Bank balances other than above | 12 | 775.28 | 1211.50 | 1252.39 |
| - Loans | 13 | 20.59 | 23.86 | 15.57 |
| - Other financial assets | 14 | 129.85 | 122.81 | 129.19 |
| Current tax assets (net) | | 35.47 | - | - |
| Other current assets | 15 | 124.29 | 403.04 | 382.21 |
| Total Current Assets | | 6538.17 | 8217.80 | 7452.15 |
| TOTAL ASSETS | | 14008.92 | 13984.23 | 13212.73 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| Equity share capital | 16 | 605.03 | 605.03 | 605.03 |
| Other equity | | 11774.44 | 11246.76 | 10913.22 |
| Total Equity | | 12379.47 | 11851.79 | 11518.25 |
| LIABILITIES | | | | |
| NON-CURRENT LIABILITIES | | | | |
| Deferred tax liabilities (net) | 17 | 558.76 | 645.87 | 602.97 |
| Total Non-Current Liabilities | | 558.76 | 645.87 | 602.97 |
| CURRENT LIABILITIES | | | | |
| Financial liabilities: | | | | |
| - Borrowings | 18 | 0.31 | - | 152.42 |
| - Trade payables | 19 | 827.03 | 1,027.40 | 494.45 |
| - Other financial liabilities | 20 | 60.48 | 102.01 | 131.94 |
| Other current liabilities | 21 | 99.65 | 207.22 | 159.00 |
| Provisions | 22 | 83.22 | 118.65 | 96.83 |
| Current tax liabilities (net) | | - | 31.29 | 56.87 |
| Total Current Liabilities | | 1070.69 | 1486.57 | 1091.51 |
| TOTAL EQUITY AND LIABILITIES | | 14008.92 | 13984.23 | 13212.73 |

Significant Accounting Policies

2

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date

For LODHA & CO.

Firm Regn. No. – 301051E

Chartered Accountants

A.M.Hariharan

Partner

Membership No. 38323

Place : Jabalpur

Date : 29th May, 2018

For and on behalf of the Board

Ravindra K Raje

Director

DIN:00112003

Mahesh Verma

Company Secretary

Ashok K Kapur

Wholetime Director

DIN:00126807

Garvita Asati

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2018

(All amounts in Indian rupee lakh, unless otherwise stated)

| PARTICULARS | Notes | Year ended 31st March 2018 | Year ended 31st March 2017 |
|---|-------|-------------------------------|-------------------------------|
| INCOME | | | |
| Revenue from operations | 23 | 11761.23 | 11275.51 |
| Other income | 24 | 439.79 | 584.18 |
| Total Income | | 12201.02 | 11859.68 |
| EXPENDITURE | | | |
| Cost of materials consumed | 25 | 6835.80 | 7185.15 |
| Changes in inventory of finished goods, work-in-progress & stock-in-trade (increase)/decrease | 26 | 633.52 | 77.62 |
| Employee benefits expense | 27 | 995.49 | 1006.21 |
| Finance costs | 28 | 3.67 | 6.20 |
| Depreciation and amortization expense | 29 | 115.13 | 114.74 |
| Power & Fuel | | 1949.42 | 1832.56 |
| Other expenses | 30 | 818.07 | 804.90 |
| Total expenses | | 11351.10 | 11027.38 |
| Profit before exceptional and extraordinary items and tax | | 849.92 | 832.30 |
| Exceptional Items | | - | - |
| Profit before tax | | 849.92 | 832.30 |
| Tax Expense | | | |
| Current Year | | 153.96 | 179.44 |
| Deferred Tax | | (86.17) | 42.28 |
| Tax Adjustment for earlier years | | (21.56) | - |
| | | 46.23 | 221.72 |
| Profit after taxation | | 803.69 | 610.59 |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of net defined benefit plans (gain) | | (15.22) | (14.19) |
| TOTAL COMPREHENSIVE INCOME | | 818.92 | 624.78 |
| Earning per Equity Share of Face Value of ₹ 10 each | | | |
| Basic and Diluted Earnings per Share (₹) | 35 | 13.54 | 10.33 |
| Significant Accounting Policies | 2 | | |

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date

For LODHA & CO.

Firm Regn. No. – 301051E
Chartered Accountants

A.M.Hariharan

Partner
Membership No. 38323
Place : Jabalpur
Date : 29th May, 2018

For and on behalf of the Board

Ravindra K Raje
Director
DIN:00112003

Mahesh Verma
Company Secretary

Ashok K Kapur
Wholetime Director
DIN:00126807

Garvita Asati
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2018

(All amounts in Indian rupee lakh, unless otherwise stated)

EQUITY SHARE CAPITAL

| PARTICULARS | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--------------------------------|--------------------------|--------------------------|-------------------------|
| Issued, Subscribed and Paid up | | | |
| (Refer Note 16) | 604.96 | 604.96 | 604.96 |
| Forfeited Shares | 0.07 | 0.07 | 0.07 |
| Total | 605.03 | 605.03 | 605.03 |

OTHER EQUITY

| PARTICULARS | Reserves and Surplus | | | | Other Comprehensive Income | Total |
|--|----------------------|----------------------------------|--------------------|----------------------|----------------------------------|-----------------|
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | Actuarial (gain)/loss | |
| As at 1st April, 2016 | 7.51 | 425.37 | 2159.86 | 8320.48 | - | 10913.22 |
| Transfer to retained earnings | | | | 610.59 | (14.19) | 624.78 |
| Transfer to General Reserve | | | 40.66 | (40.66) | | - |
| Dividend paid (including dividend distribution tax of ₹49.26) | | | | (291.24) | | (291.24) |
| As at 31st March, 2017 | 7.51 | 425.37 | 2200.52 | 8599.17 | (14.19) | 11246.76 |
| Transfer to retained earnings | | | | 803.69 | (15.22) | 818.92 |
| Dividend paid (including dividend distribution tax of ₹49.26) | | | | (291.24) | | (291.24) |
| As at 31st March, 2018 | 7.51 | 425.37 | 2200.52 | 9111.63 | (29.41) | 11774.44 |

The accompanying notes are an integral part of the Ind AS financial statements
As per our report of even date

For and on behalf of the Board

For LODHA & CO.

Firm Regn. No. – 301051E
Chartered Accountants

A.M.Hariharan

Partner
Membership No. 38323

Place : Jabalpur
Date : 29th May, 2018

Ravindra K Raje
Director
DIN:00112003

Ashok K Kapur
Wholetime Director
DIN:00126807

Mahesh Verma
Company Secretary

Garvita Asati
Chief Financial Officer

STATEMENT OF CASH FLOWS

for the year ended 31st March, 2018

(All amounts in Indian rupee lakh, unless otherwise stated)

| PARTICULARS | Year ended 31st March 2018 | Year ended 31st March 2017 |
|---|-------------------------------|-------------------------------|
| A. Cash Flow from Operating Activities : | | |
| Net profit before tax | 849.92 | 832.30 |
| Adjustments for : | | |
| Depreciation and amortization expense | 115.13 | 114.74 |
| Interest income | (81.80) | (111.71) |
| Profit on redemption/Fair value of investments | (251.61) | (369.40) |
| Finance costs | 3.67 | 6.20 |
| Loss/(Profit) on impairment / sale of property, plant and equipment | 6.95 | 7.56 |
| Sundry debit balances written off | 13.64 | 1.08 |
| Provision for liability no longer required written back | (8.04) | (0.39) |
| Sundry balances written back | (15.92) | (15.84) |
| Bad debts written off | 35.31 | 14.30 |
| Net unrealised exchange (gain)/loss | (3.95) | 2.14 |
| Operating profit before working capital changes | 663.30 | 480.99 |
| Adjustments for : | | |
| (Increase)/Decrease in trade and other receivables | (350.64) | 90.79 |
| (Increase)/Decrease in inventories | 870.54 | (216.80) |
| Decrease in long term loans & advances | - | 6.38 |
| (Increase)/Decrease in loans | 7.61 | (39.05) |
| Decrease in other current Assets | 271.70 | 3.90 |
| Increase/(Decrease) in trade payables | (197.43) | 549.17 |
| Increase/(Decrease) in short term provisions | (12.17) | 10.96 |
| Increase/(Decrease) in other current liabilities | (136.12) | 37.21 |
| Cash generated from operating activities | 1116.79 | 923.55 |
| Taxes paid | (199.16) | (206.52) |
| Net cash from operating activities (A) | 917.63 | 717.03 |
| B. Cash Flow from Investing Activities : | | |
| Purchase of property, plant and equipment | (502.96) | (23.47) |
| Purchase of non-current investments | (2777.33) | (1738.30) |
| Redemption of current investments | 2543.11 | 1413.68 |
| Decrease in fixed deposits | 437.40 | 2.71 |
| Interest received | 81.80 | 111.71 |
| Net cash used in investing activities (B) | (217.97) | (233.67) |
| C. Cash Flow from Financing Activities: | | |
| Dividend paid including tax thereon | (291.24) | (291.24) |
| Net increase/(decrease) in short term borrowings | 0.31 | (152.42) |
| Unpaid dividend account | (1.01) | (0.59) |
| 9% Preference shares redemption account | 6.31 | (14.58) |
| Finance costs | (3.67) | (3.59) |
| Net cash used in financing activities (C) | (301.93) | (462.42) |
| Net Increase in Cash and Cash Equivalents (A) + (B) + (C) | 397.74 | 20.94 |
| Cash and Cash Equivalent at the beginning of the year | 357.58 | 336.64 |
| Cash and Cash Equivalent at the end of the year | 755.32 | 357.58 |
| Details of Cash and Cash Equivalent at the end of the year | | |
| Cash in hand | 7.23 | 6.45 |
| Balance with Scheduled Banks | 293.47 | 144.38 |
| Deposits (with maturity of less than 3 months) | 177.12 | 206.75 |
| Current investments | 277.50 | - |
| Total | 755.32 | 357.58 |

This is the Cash Flow Statement referred to in our Report of even date.

For LODHA & CO.

Firm Regn. No. – 301051E
Chartered Accountants

A.M.Hariharan

Partner
Membership No. 38323
Place : Jabalpur
Date : 29th May, 2018

For and on behalf of the Board

Ravindra K Raje

Director
DIN:00112003

Mahesh Verma

Company Secretary

Ashok K Kapur

Wholtime Director
DIN:00126807

Garvita Asati

Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

1. Corporate Information

Narmada Gelatines Ltd. was set up in 1961 as Leiner Knit Gelatin Company Pvt. Ltd. The Company was converted into a Public Company and registered as Shaw Leiner Limited in 1969. In the year 1979, the name of the Company was changed to Shaw Wallace Gelatines Limited, and in the year 2002, the Company was renamed as Narmada Gelatines Limited. The Company is registered in Jabalpur (Madhya Pradesh) under Registration number L24111MP1961PLCO16023. The Registered office of the Company is at 28, CARAVS, 15 Civil Lines, Jabalpur (M.P.). The Company is engaged in the manufacture and sale of Ossein and Gelatine.

2. Significant Accounting Policies

(i) Basis of Accounting

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016 prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention, except for certain financial assets and liabilities measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Upto the financial year ended on 31st March 2017, the company has prepared the accounts according to the Previous GAAP. The financial statements for the year ended 31st March 2018 are the first to have been prepared in accordance with Ind AS. Balance sheet as on 31st March 2017 has been presented as comparative on the basis of Ind AS. For any variation in the amounts represented in the comparative balance sheet vis-à-vis earlier presentation, a reconciliation is given as part of notes.

Current and Non-current classification:

- (i) The assets and liabilities in the Balance Sheet are based on current/ non - current classification. An asset as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle of twelve months
 - Held primarily for the purpose of trading
 - Expected to be realized within twelve months after the reporting period, or
 - Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.
- (ii) A liability is current when:
- Expected to be settled in normal operating cycle
 - Held primarily for the purpose of trading
 - Due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are treated as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

(ii) Use of Estimates

The preparation of the financial statements is in conformity with the Ind AS, requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(iii) First time adoption of Ind AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1st, 2017, with a transition date of April 1st, 2016. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended 31st March, 2018, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Being first time adoption of Ind AS, the Company has availed the following exemptions as granted under Appendix C & D of Ind AS 101

- Ind AS 101 permits to measure all its property, plant & equipments at their Previous GAAP carrying value i.e. being deemed cost represented by Gross Block reduced by accumulated depreciation on 1st April, 2016.
- Retrospective impacts of transition from Previous GAAP to Ind AS on assets and liabilities, have been adjusted against "Other Equity" on 1st April 2016.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

- c. An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies).
 - d. Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP.
 - e. Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.
- (iv) Property, Plant And Equipment & Intangible Assets**
- Property, Plant and Equipment: The gross block of fixed assets is stated at cost of acquisition or construction (except revalued assets) including any cost attributable to bringing the assets to their working condition for their intended use. Borrowing costs that are directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time till such assets are ready for the intended use are capitalized.
- Freehold land, Buildings, Plant and Machinery and Electrical Installations were revalued as at 31st March 1993 by an approved valuer and accordingly the net replacement cost are stated.
- Intangible assets: Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment, if any
- Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost or revalued amount are recognized in the Statement of Profit and Loss.
- (v) Depreciation / Amortization**
- Depreciation is provided on the basis of the useful lives of the Property, Plant and Equipments as estimated by management and which are in line with the useful lives prescribed under Section 123 read with Schedule II of the Companies Act, 2013.
- Depreciation on certain Buildings acquired prior to 1st July 1986 is charged under Written Down Value method and on others under Straight Line method.
- Being a continuous plant, Depreciation on Plant and Machinery is charged based on the useful lives of the assets, as estimated by management, which is in line with the useful life prescribed in Schedule II of the Companies Act, under Straight Line method on single shift basis excepting certain items acquired before 1st July, 1986 on which depreciation is charged under Written Down Value method. Depreciation on Diesel Generator sets is charged under Straight Line method.
- Depreciation on Electrical Installations and Furniture & Fixtures being charged under Written Down Value method, has been changed to Straight Line method.
- Depreciation on Motor Vehicles is charged under Straight Line method.
- Assets costing up to ₹ 5,000 each are depreciated fully in the year of purchase.
- Intangible assets are amortised over their estimated useful economic life under Straight Line method. Computer software cost is amortised over a period of five years.
- (vi) Inventories**
- Inventories (includes Raw Material, Work-in-Progress, Finished goods, Stores & spares, Consumables, Packing Materials) are valued at cost or net realisable value, whichever is lower. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Cost of Raw Material, Semi-finished and Finished Goods and Work-in-Progress is determined on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis. Obsolete, slow moving and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for those inventories. Adequate allowance is made for obsolete and slow moving items.
- (vii) Revenue Recognition**
- Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be measured reliably.
- Sale of goods is recognised when the significant risk and rewards of ownership is transferred to the customer. Sales represents invoiced value of goods supplied, net of returns and discounts, including excise duty but excluding sales tax. On implementing Goods and Services Tax, revenue from sale of goods is net of taxes.
- Revenue recognition from sale of "Duty Entitlement Passbook Licence or Merchandise Exports from India Scheme (MEIS)" is made on sale of the licence after receipt of the same from the office of the Director General of Foreign Trade.
- Income from Duty Drawback is recognised on receipt basis.
- Claims / Refunds not ascertainable with reasonable certainty are accounted for on final settlement and are recognized as revenue on certainty of receipt on prudent basis.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding at the rate applicable.
- (viii) Income from Investment**
- Income from Investments (other than investments in shares of companies and Mutual Funds) is accounted on accrual basis.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

Dividend income on investments is recognised when the right to receive dividend is established. Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

(ix) Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Gains and losses, if any, on settlement or reinstatement of year end closing balances by applying the closing rates in respect of monetary assets and monetary liabilities not covered by the forward contracts are recognized in the statement of profit and loss.

Non-monetary items denominated in foreign currency are stated at the rate prevailing on the date of the transaction.

The premium or discount arising at the inception of the forward contract entered into to hedge the existing asset / liability, is amortized as expense or income over the life of the contract. Exchange differences on such contract are recognized in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising out of cancellation or renewal of such contract are recognized as income or expense in the reporting period. Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transaction are marked to market and the losses, if any, are recognized in the statement of profit and loss and gains are ignored.

(x) Employee Benefits

The Company has the following post-employment benefit plans:

- (i) Defined benefit plans such as gratuity;
- (ii) Defined contribution plans such as Provident fund & Superannuation fund; and
- (iii) Other employee benefits.

(i) Defined benefit plan:

Voluntary Retirement Scheme Expenses, if any are fully charged off in the year of payment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the Projected Unit Credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a. Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- b. Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement comprising:

- a. Re-measurement of Actuarial (gains)/losses
- b. Return on plan assets, excluding amount recognized in effect of asset ceiling
- c. Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also inter-dependency between some of the assumptions.

(ii) Defined contribution plan:

Under defined contribution plans, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined contribution plans comprise of contributions to provident fund, Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

(iii) Other employee benefits

- a. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the balance sheet date determined based on an actuarial valuation.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

- b. Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.
- c. Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss as and when incurred.
- d. Other benefits comprising of discretionary long service awards are recognized as and when determined.

(xi) Current and Deferred tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income. Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis. Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in Other comprehensive income or directly in equity.

(xii) Impairment of Assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the Company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. 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 profit or loss.

(xiii) Financial Instruments

Financial assets - Initial recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of:

- a. the entity's business model for managing the financial assets; and
- b. the contractual cash flow characteristics of the financial asset.

(i) Measured at amortised cost:

A financial asset is measured at amortised cost, if it is held under the hold to collect business model i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated using the effective interest rate (EIR) method 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 in interest income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. On derecognition, gain or loss, if any, is recognised to statement of profit and loss.

(ii) Measured at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which recognised using effective interest rate method. The losses arising from impairment are recognised in the statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

(iii) Measured at fair value through profit or loss (FVTPL):

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the statement of profit and loss.

Equity Instruments:

All investments in equity instruments, if any classified under financial assets are subsequently measured at fair value.

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity 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 effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime Expected Credit Losses at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months Expected Credit Losses.

The impairment losses and reversals are recognised in statement of profit and loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Loans & Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative adjustments.

De-recognition

A financial liability is de-recognised 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 derecognition 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.

Derivative financial instruments & hedge accounting

The Company uses derivative financial instruments, such as forward foreign exchange contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in statement of profit and loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company designates their derivatives as hedges of foreign currency risk associated with the cash flows of highly probable forecast transactions and variable interest rate risks associated with the borrowings.

(xiv) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xv) Provision and Contingent Liabilities

A provision is recognised when the Company has a present obligation 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

(xvi) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight-line basis over the period of the lease.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

(xvii) Segment Reporting

The accounting policies adopted for segment reporting, if any, are in conformity with the accounting policies adopted by the Company.

(xviii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

(xix) Cash and cash equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

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

(xx) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of cost of that asset, during the period till all the activities necessary to prepare the qualifying assets for its intended use or sale are complete. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

(xxi) Exceptional Items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

3 PROPERTY, PLANT & EQUIPMENT

| Particulars | Freehold Land | Buildings | Plant and equipment | Furniture & Fixtures | Office Equipment | Electrical Installations | Total |
|---|---------------|--------------|---------------------|----------------------|------------------|--------------------------|----------------|
| Gross Block | | | | | | | |
| Deemed cost as at 1st April, 2016* | 116.92 | 93.69 | 2016.64 | 2.17 | 5.85 | 14.73 | 2249.99 |
| Additions | - | - | 21.55 | - | 1.92 | - | 23.47 |
| Deductions/Adjustment | - | - | 81.04 | - | 0.01 | - | 81.05 |
| Balance as at 31st March 2017 | 116.92 | 93.69 | 1957.15 | 2.17 | 7.76 | 14.73 | 2192.42 |
| Additions | | | 500.54 | | 2.42 | | 502.96 |
| Deductions/Adjustment | | 2.96 | 26.53 | | 2.99 | 1.21 | 33.68 |
| Balance as at 31st March 2018 | 116.92 | 90.73 | 2431.15 | 2.17 | 7.19 | 13.52 | 2661.69 |
| Accumulated Depreciation | | | | | | | |
| Balance as at 1st April 2016 | - | - | - | - | - | - | - |
| Depreciation charge for the year | - | 7.62 | 99.36 | 0.67 | 1.66 | 4.12 | 113.42 |
| Deductions/Adjustment | - | - | 73.25 | - | - | - | 73.25 |
| Balance as at 31st March 2017 | - | 7.62 | 26.11 | 0.67 | 1.66 | 4.12 | 40.17 |
| Depreciation charge for the year | | 6.58 | 104.64 | 0.23 | 0.89 | 1.77 | 114.10 |
| Deductions/Adjustment | | 0.02 | 25.74 | 0.35 | 0.01 | 0.69 | 26.81 |
| Balance as at 31st March 2018 | - | 14.18 | 105.01 | 0.54 | 2.54 | 5.20 | 127.47 |
| Net carrying amount as at 1st April, 2016 | 116.92 | 93.69 | 2016.64 | 2.17 | 5.85 | 14.73 | 2249.99 |
| Net carrying amount as at 31st March, 2017 | 116.92 | 86.07 | 1931.04 | 1.50 | 6.10 | 10.61 | 2152.24 |
| Net carrying amount as at 31st March, 2018 | 116.92 | 76.55 | 2326.14 | 1.63 | 4.65 | 8.32 | 2534.21 |

The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1st April, 2016 under the Previous GAAP.

*Deemed Cost as at 1st April, 2016

| Particulars | Freehold Land | Buildings | Plant & equipment | Furniture & Fixtures | Office Equipment | Electrical Installations | Total |
|---|---------------|-----------|-------------------|----------------------|------------------|--------------------------|---------|
| Gross Block as on 1st April, 2016 | 116.92 | 269.93 | 5021.07 | 6.39 | 21.37 | 41.65 | 5477.32 |
| Accumulated depreciation till 1st April, 2016 | - | 176.24 | 3004.44 | 4.22 | 15.51 | 26.92 | 3227.33 |
| Deemed Cost as at 1st April, 2016 | 116.92 | 93.69 | 2016.64 | 2.17 | 5.85 | 14.73 | 2249.99 |

| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|--------------------------|--------------------------|-------------------------|
| 4 CAPITAL WORK-IN-PROGRESS | | | |
| Plant and equipment under installation | 0.21 | 0.21 | 0.21 |
| TOTAL | 0.21 | 0.21 | 0.21 |

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

5 INTANGIBLE ASSETS

| Particulars | Software | TOTAL |
|--|-------------|-------------|
| Gross Block | | |
| Deemed cost as at 1st April, 2016* | 2.92 | 2.92 |
| Additions | - | - |
| Disposals | - | - |
| Balance as at 31st March, 2017 | 2.92 | 2.92 |
| Additions | - | - |
| Disposals | - | - |
| Balance as at 31st March, 2018 | 2.92 | 2.92 |
| Accumulated depreciation | | |
| Balance as at 1st April, 2016 | - | - |
| Depreciation charge for the year | 1.32 | 1.32 |
| Disposals | - | - |
| Accumulated depreciation as at 31st March, 2017 | 1.32 | 1.32 |
| Depreciation charge for the year | 1.02 | 1.02 |
| Disposals | - | - |
| Accumulated depreciation as at 31st March, 2018 | 2.34 | 2.34 |
| Net carrying amount as at 1st April, 2016 | 2.92 | 2.92 |
| Net carrying amount as at 31st March, 2017 | 1.60 | 1.60 |
| Net carrying amount as at 31st March, 2018 | 0.58 | 0.58 |

The Company has availed the deemed cost exemption in relation to other intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1st April, 2016 under the Previous GAAP.

*Deemed Cost as at 1st April, 2016

| Particulars | Software | TOTAL |
|---|----------|-------|
| Gross Block as on 1st April, 2016 | 6.60 | 6.60 |
| Accumulated depreciation till 1st April, 2016 | 3.68 | 3.68 |
| Deemed Cost as at 1st April, 2016 | 2.92 | 2.92 |

| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|--------------------------|--------------------------|-------------------------|
| 6 INVESTMENTS - NON-CURRENT | | | |
| Investments in Mutual Funds (at NAV) - Quoted | 4912.38 | 3584.69 | 3498.77 |
| (Refer Note 37) | | | |
| Investments in Bonds - Unquoted | | | |
| Rural Electrification Corporation Limited - REC Bond | | | |
| (65 Bonds of ₹ 10,000 each) | 19.50 | 19.50 | 6.50 |
| TOTAL | 4931.88 | 3604.19 | 3505.27 |
| (i) Aggregate amount of quoted investments | 4912.38 | 3584.69 | 3498.77 |
| (ii) Market Value of quoted investments (based on Net Asset Value declared by Mutual Funds as on 31st March 2018) | 4912.38 | 3584.69 | 3498.77 |
| 7 OTHER NON-CURRENT ASSETS | | | |
| Employee advances | 3.86 | 8.20 | 2.19 |
| TOTAL | 3.86 | 8.20 | 2.19 |

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|--------------------------|--------------------------|-------------------------|
| 8 INVENTORIES | | | |
| Raw materials | 956.02 | 1201.06 | 956.67 |
| Work-in-progress | 1080.55 | 1175.29 | 1387.59 |
| Finished goods | 527.89 | 1066.68 | 932.00 |
| Stores & Spare | 387.82 | 379.80 | 329.77 |
| TOTAL | 2952.29 | 3822.83 | 3606.03 |
| Refer Note 2(vi) of Notes to Financial Statements | | | |
| 9 INVESTMENTS - CURRENT | | | |
| Investments in Mutual Funds (at NAV)-Quoted | | | |
| (Refer Note 38) | 325.27 | 878.03 | 282.91 |
| TOTAL | 325.27 | 878.03 | 282.91 |
| (i) Aggregate amount of quoted investments | 325.27 | 878.03 | 282.91 |
| (ii) Market Value of quoted investments (based on Net Asset Value declared by Mutual Funds as on 31st March 2018) | 325.27 | 878.03 | 282.91 |
| 10 TRADE RECEIVABLES | | | |
| Unsecured considered good | 1910.93 | 1605.29 | 1678.55 |
| Unsecured considered doubtful | 50.60 | 44.89 | 38.50 |
| Less: Allowances for bad and doubtful debts | (50.60) | (44.89) | (38.50) |
| TOTAL | 1910.93 | 1605.29 | 1678.55 |
| During the year, provision for bad and doubtful receivables amounting to ₹ 29.60 lakh (as at 31st March 2017- ₹ 1.90 lakh, as at 1st April, 2016 - Nil) has been written off. | | | |
| 11 CASH AND CASH EQUIVALENTS | | | |
| Bank balance in current accounts | 256.96 | 143.98 | 98.06 |
| Cash in hand | 7.23 | 6.45 | 7.24 |
| TOTAL | 264.19 | 150.44 | 105.30 |
| 12 BANK BALANCES OTHER THAN ABOVE | | | |
| In Deposits accounts* | 725.45 | 1192.48 | 1211.70 |
| In Dividend accounts | 13.32 | 12.31 | 11.72 |
| Remittance in transit | 36.51 | 0.40 | 8.08 |
| In 9% Preference Share Redemption Account | - | 6.31 | 20.89 |
| TOTAL | 775.28 | 1211.50 | 1252.39 |
| * includes amount under lien of bank to the extent of overdraft facility availed and outstanding as on the balance sheet date (refer Note 18) | | | |
| 13 LOANS | | | |
| Loan & Advances to Employees | 20.59 | 23.86 | 15.57 |
| TOTAL | 20.59 | 23.86 | 15.57 |
| 14 OTHER FINANCIAL ASSETS | | | |
| Security Deposits | 129.85 | 122.81 | 129.19 |
| TOTAL | 129.85 | 122.81 | 129.19 |

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--------------------------------------|--------------------------|--------------------------|-------------------------|
| 15 OTHER CURRENT ASSETS | | | |
| Advances to suppliers | 36.75 | 221.48 | 255.00 |
| Prepayments | 13.52 | 9.29 | 8.81 |
| Interest accrued on fixed deposits | 32.71 | 45.52 | 49.42 |
| Balances with government authorities | 41.32 | 126.75 | 68.98 |
| TOTAL | 124.29 | 403.04 | 382.21 |

16 EQUITY SHARE CAPITAL

Authorised Share Capital:

| | | | |
|--|---------|---------|---------|
| 1,00,00,000 equity shares of ₹ 10.00 each | 1000.00 | 1000.00 | 1000.00 |
| 1,00,00,000 9% cum. redeemable preference shares of ₹ 10.00 each | 1000.00 | 1000.00 | 1000.00 |

Issued, Subscribed and Paid up

| | | | |
|---|---------------|---------------|---------------|
| 60,49,587 equity shares of ₹ 10.00 each, fully paid | 604.96 | 604.96 | 604.96 |
| Forfeited shares | 0.07 | 0.07 | 0.07 |
| TOTAL | 605.03 | 605.03 | 605.03 |

(i) Reconciliation of the number of shares outstanding and the amount of share capital at the beginning and at the end of the reporting period:

| Particulars | Number | Amount | Number | Amount | Number | Amount |
|---|------------------|---------------|------------------|---------------|------------------|---------------|
| Equity shares at the beginning of the year | 60,49,587 | 604.96 | 60,49,587 | 604.96 | 60,49,587 | 604.96 |
| Add : Shares issued during the year | - | - | - | - | - | - |
| Less : Shares bought back during the year | - | - | - | - | - | - |
| Equity shares outstanding at the end of year | 60,49,587 | 604.96 | 60,49,587 | 604.96 | 60,49,587 | 604.96 |

(ii) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of the liquidation of the company the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of the shares held.

(iii) Details of shares held by the holding company:

| Name of the Shareholder | Number | Amount | Number | Amount | Number | Amount |
|---|-----------|--------|-----------|--------|-----------|--------|
| Alfamont (Mauritius) Limited, the holding company | 45,37,189 | 453.72 | 45,37,189 | 453.72 | 45,37,189 | 453.72 |

(iv) Equity shareholders holding more than 5% of equity shares along with the number of equity shares held is as given below:

| Name of the Shareholder | Number | % | Number | % | Number | % |
|---|-----------|----|-----------|----|-----------|----|
| Alfamont (Mauritius) Limited, the holding company | 45,37,189 | 75 | 45,37,189 | 75 | 45,37,189 | 75 |

(v) Aggregate number of shares allotted as fully paid up by way of bonus shares during the last five years

20,16,529 Equity shares fully paid up were allotted by way of bonus shares by capitalisation of capital redemption reserve (₹ 148.61 lakh) and securities premium reserve (₹ 53.04 lakh) in 2014-15.

(vi) Issue of shares for consideration other than cash

During the preceeding five financial year the company has not issued any share for consideration other than cash

(vii) Dividend paid and proposed

Refer Note 43 of Notes to financial statements

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------------------|--------------------------|--------------------------|-------------------------|
| 17 DEFERRED TAX LIABILITY | | | |
| Deferred Tax Liability (Net) | 558.76 | 645.87 | 602.97 |
| TOTAL | 558.76 | 645.87 | 602.97 |

The major components of income tax expense are as follows:

| Statement of profit or loss | Year ended 31st March 2018 | Year ended 31st March 2017 |
|---|-------------------------------|-------------------------------|
| Current income tax | | |
| Current income tax charge | 153.96 | 179.44 |
| Deferred tax | | |
| Relating to origination and reversal of temporary differences | (86.17) | 42.28 |
| Income tax expense reported in statement of profit or loss | 67.79 | 221.72 |
| Reconciliation | | |
| Accounting profit/ (loss) before income tax | 849.92 | 610.59 |
| Enacted tax rate in India | 33.06 | 33.06 |
| Computed tax expense | 281.01 | 201.88 |
| Effect of different tax rate | (222.87) | (40.45) |
| Effect on Expenses disallowed / (allowed) | 9.55 | 1.17 |
| Other adjustments | (21.46) | (19.44) |
| Total adjustments | (234.78) | (19.84) |
| Tax expenses recognised in Profit or Loss | 46.23 | 221.72 |

Deferred tax relates to following:

| Particulars | Recognised in Balance Sheet | | | Recognised in Profit or Loss | |
|--|-----------------------------|------------------------|-----------------------|------------------------------|-----------------------------|
| | As at 31st March 18 | As at 31st March 17 | As at 1st April 16 | Year ended 31st March 18 | Year ended 31st March 17 |
| Accelerated depreciation for tax purpose | (473.73) | (499.12) | (531.28) | 25.39 | 32.16 |
| Expenses allowable on payment basis | 27.66 | 32.83 | 27.68 | (5.17) | 5.15 |
| Other items giving rise to temporary differences | | | | - | - |
| Fair valuation of financial instruments | (112.69) | (179.58) | (99.37) | 66.89 | (80.29) |
| Deferred tax asset / (liability) | (558.76) | (645.87) | (602.97) | - | - |
| Net (income)/ expense | | | | 86.17 | (42.28) |

| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------|--------------------------|--------------------------|-------------------------|
| 18 BORROWINGS | | | |
| Bank Overdraft | 0.31 | - | 152.42 |
| TOTAL | 0.31 | - | 152.42 |

Secured against mutual funds (previous year against fixed deposits with banks); refer Note 12.

| | | | |
|--|---------------|----------------|---------------|
| 19 TRADE PAYABLES | | | |
| Due to micro, small and medium enterprises | 26.03 | 30.50 | 51.99 |
| Due to others | 801.00 | 996.90 | 442.47 |
| TOTAL | 827.03 | 1027.40 | 494.45 |

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2018 has been made in the financial statements based on information received and available with the Company, which is relied upon by the auditors. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

| Particulars | Year ended 31st March 2018 | Year ended 31st March 2017 | Year ended 31st March 2016 |
|--|----------------------------------|----------------------------------|---------------------------------|
| i) Principal amount outstanding | 26.03 | 30.50 | 51.99 |
| ii) Principal amount due and remaining unpaid | | | |
| iii) Interest due on (ii) above and the unpaid interest | | | |
| iv) Interest paid on all delayed payments under the MSMED Act. | | | |
| v) Payment made beyond the appointed day during the year | | | |
| vi) Interest due and payable for the period of delay other than (iv) above | 0.02 | | 0.07 |
| vii) Interest accrued and remaining unpaid | | | |
| viii) Amount of further interest remaining due & payable in succeeding years | | | |
| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |

20 OTHER FINANCIAL LIABILITIES

| | | | |
|---|--------------|---------------|---------------|
| Payable for capital expenditure | - | 0.15 | 3.87 |
| Security deposits | 9.32 | 9.32 | 9.32 |
| Advances from customers | 37.67 | 70.49 | 24.57 |
| Unpaid dividend* | 13.32 | 12.31 | 11.72 |
| Unpaid 9% Preference share redemption account | - | 6.31 | 20.89 |
| Other liabilities | 0.17 | 3.28 | 61.56 |
| TOTAL | 60.48 | 102.01 | 131.94 |

*There are no amounts due for payments to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at year end.

21 OTHER CURRENT LIABILITIES

| | | | |
|------------------------|--------------|---------------|---------------|
| Statutory dues payable | 99.65 | 207.22 | 159.00 |
| TOTAL | 99.65 | 207.22 | 159.00 |

22 PROVISIONS

| | | | |
|---------------------------------|--------------|---------------|--------------|
| Provision for employee benefits | 83.22 | 119.18 | 96.83 |
| TOTAL | 83.22 | 119.18 | 96.83 |

23 REVENUE FROM OPERATIONS

Sale of Manufactured products (net of rebates and discounts)

| | | |
|--|-----------------|-----------------|
| Gelatine | 8145.85 | 9041.13 |
| DCP - animal feed grade | 2938.40 | 2963.96 |
| Ossein | 838.59 | 94.20 |
| Bone meal products | 61.13 | 49.55 |
| | 11983.96 | 12148.83 |
| Less: Excise duty | 203.84 | 852.97 |
| Less: Trade and quality discount | 18.88 | 20.35 |
| Net Sales | 11761.23 | 11275.51 |
| Earning in foreign exchange (included above) | | |
| Export of goods on F.O.B. basis | 288.93 | 385.68 |

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

| | Year ended 31st March 2018 | | Year ended 31st March 2017 | |
|--|-------------------------------|----------------|-------------------------------|-----------------|
| 24 OTHER INCOME | | | | |
| Operating Income | | | | |
| Sale of scrap/Coal ash | | 12.84 | | 5.55 |
| Export incentives and duty drawback | | 6.51 | | 14.47 |
| Other income | | 84.18 | | 83.05 |
| Foreign exchange gain | | 2.86 | | |
| TOTAL (A) | | 106.39 | | 103.07 |
| Non-operating Income | | | | |
| Interest income: | | | | |
| - From banks | 66.15 | | 94.32 | |
| - From others | 15.64 | 81.80 | 17.39 | 111.71 |
| Net gain on redemption of non-current investments | | 7.83 | | 61.60 |
| Net gain on redemption of current investments | | 14.19 | | 10.00 |
| Gain on fair valuation of investments in mutual funds | | 229.59 | | 297.79 |
| TOTAL (B) | | 333.41 | | 481.11 |
| TOTAL (A) + (B) | | 439.79 | | 584.18 |
| 25 COST OF MATERIAL CONSUMED | | | | |
| Raw Materials: | | | | |
| Opening Stock | | 1201.06 | | 956.67 |
| Add : Purchases | | 6590.76 | | 7429.54 |
| Less : Closing Stock | | 956.02 | | 1201.06 |
| Raw materials consumed | | 6835.80 | | 7185.15 |
| Particulars of Raw materials consumed | | | | |
| Material description | | | | |
| Crushed bones | | 5747.64 | | 6219.59 |
| Hydrochloric acid | | 312.07 | | 342.05 |
| Others | | 776.09 | | 623.51 |
| TOTAL | | 6835.80 | | 7185.15 |
| 26 CHANGE IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE | | | | |
| Opening Stocks: | | | | |
| - Finished Goods | 1066.68 | | 932.00 | |
| - Work-in-progress | 1175.29 | 2241.97 | 1387.59 | 2319.59 |
| Closing Stocks: | | | | |
| - Finished Goods | 527.89 | | 1066.68 | |
| - Work-in-progress | 1080.56 | 1608.45 | 1175.29 | 2241.97 |
| Net (Increase) / Decrease | | 633.52 | | 77.62 |
| 27 EMPLOYEE BENEFITS EXPENSE | | | | |
| Salaries and wages | | 867.84 | | 871.44 |
| Contribution to provident and other funds | | 89.52 | | 96.80 |
| Staff welfare expenses | | 38.13 | | 37.97 |
| TOTAL | | 995.49 | | 1,006.21 |

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

Defined Contribution Plans:

Provident Fund: The provident fund is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities. The Company has recognized the following amounts in the statement of profit and loss.

| | Year ended 31st March 2018 | Year ended 31st March 2017 |
|--------------------------------|-------------------------------|-------------------------------|
| Contribution to Provident Fund | 56.26 | 57.19 |
| Other funds (pension fund) | - | 21.08 |

28 FINANCE COSTS

| | | |
|-----------------------|-------------|-------------|
| Interest expense | 1.42 | 3.59 |
| Other borrowing costs | 2.25 | 2.61 |
| TOTAL | 3.67 | 6.20 |

29 DEPRECIATION AND AMORTIZATION EXPENSE

| | | |
|-------------------------------------|---------------|---------------|
| Depreciation & Amortization expense | 115.13 | 114.74 |
| TOTAL | 115.13 | 114.74 |

30 OTHER EXPENSES

| | | |
|--|---------------|---------------|
| Consumption of stores and spare parts | 101.04 | 108.79 |
| Rates and taxes (other than taxes on income) | 1.81 | 3.12 |
| Effluent expenses | 24.14 | 25.10 |
| Insurance | 8.58 | 13.67 |
| Repairs and maintenance: | | |
| - Building | 30.24 | 30.75 |
| - Plant and equipment | 219.76 | 186.53 |
| Auditor's remuneration (*Refer Note below) | 5.31 | 8.54 |
| Freight and delivery charges | 96.79 | 117.54 |
| Commission to selling agents | 20.38 | 25.93 |
| Rent | 12.92 | 12.65 |
| Travelling | 17.73 | 18.65 |
| Directors' fees | 3.29 | 2.82 |
| Rebate and discount | 4.36 | 14.15 |
| Advertisement | 5.79 | 3.78 |
| Research and Development expenses (Refer Note 40) | 4.48 | 5.64 |
| Sundry balances written off | 13.64 | 1.08 |
| Allowances for bad and doubtful debts | 35.31 | 10.26 |
| Interest paid/payable to micro, small and medium enterprises | 0.02 | - |
| Foreign exchange loss | - | 2.14 |
| Corporate social responsibility expenditure | 27.80 | 40.17 |
| Loss on sale/discard of property, plant and equipment | 6.95 | 7.56 |
| Miscellaneous expenses | 177.73 | 166.03 |
| TOTAL | 818.07 | 804.89 |

*Auditors Remuneration

| | | |
|---|-------------|-------------|
| Statutory audit fees | 3.25 | 5.25 |
| Certification and other matters | 1.00 | 1.35 |
| Reimbursement of out of pocket expenses | 1.06 | 1.94 |
| TOTAL | 5.31 | 8.54 |

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

31 DISCLOSURE PURSUANT TO IND AS-19 "EMPLOYEE BENEFITS"

i) **Gratuity:** In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by Life Insurance Corporation of India under Group Gratuity Scheme.

The disclosure in respect of the defined Gratuity Plan are given below:

Defined benefit plans

| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|-------------------------------------|----------------------------------|-------------------------|
| A. Balance Sheet | | | |
| Present value of plan liabilities | 290.07 | 267.07 | 293.02 |
| Fair value of plan assets | 275.87 | 266.57 | 296.88 |
| Asset/(Liability) recognised | 14.20 | 0.50 | (3.86) |
| B. Movements in plan assets and plan liabilities | Present value of obligations | Fair Value of Plan assets | Total |
| As at 1st April 2016 | 293.02 | 296.88 | 589.90 |
| Current service cost | 18.33 | - | - |
| Adjustment in opening balance | - | (2.61) | (2.61) |
| Interest Cost/(Income) | (19.97) | 21.29 | 1.32 |
| Actuarial (gain)/loss arising from changes in financial assumptions | (13.62) | - | (13.62) |
| Actuarial (gain)/loss arising from experience adjustments | - | 0.57 | 0.57 |
| Employer contributions | - | 1.07 | 1.07 |
| Benefit payments | (50.63) | (50.63) | (101.26) |
| As at 31st March 2017 | 267.07 | 266.57 | 533.64 |
| Current service cost | 17.22 | - | - |
| Adjustment in opening balance | - | (2.65) | (2.65) |
| Past service cost | 16.06 | - | - |
| Interest Cost/(Income) | (18.13) | 19.71 | 1.58 |
| Actuarial (gain)/loss arising from changes in financial assumptions | (12.28) | 1.38 | (10.90) |
| Actuarial (gain)/loss arising from experience adjustments | - | - | - |
| Employer contributions | - | 6.99 | 6.99 |
| Benefit payments | (16.13) | (16.13) | (32.26) |
| As at 31st March 2018 | 290.07 | 275.87 | 565.94 |
| C. Statement of Profit and Loss | | | |
| Employee Benefit Expense: | As at 31st March 2018 | As at 31st March 2017 | |
| Current Service Cost | 17.22 | 18.33 | |
| Interest Cost | 18.13 | 19.97 | |
| Past Service cost (vested benefits) | 16.06 | - | |
| Net Actuarial (Gain) / Loss | (13.66) | (14.19) | |
| Interest cost/(income) | (19.71) | (21.29) | |
| Total amount recognised in statement of profit & loss | 18.04 | 2.82 | |
| Remeasurement of the net defined benefit liability: | | | |
| Actuarial (Gain) / Loss recognised for the period | (12.27) | (14.19) | |
| Asset limit effect | - | - | |
| Return on plan assets excluding net interest | (2.93) | - | |
| Unrecognised Actuarial (Gain)/ Loss from previous period | - | - | |
| Total amount recognised in Other Comprehensive Income | (15.20) | (14.19) | |

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value in the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|--------------------------|--------------------------|-------------------------|
| Financial Assumptions | | | |
| Discount rate | 7.70% | 7.00% | 7.46% |
| Salary escalation rate : Management employees | 7.00% | 7.00% | 8.00% |
| Non-management employees | 7.00% | 7.00% | 8.00% |
| Demographic Assumptions | | | |
| Expected average remaining working lives of employees in no. of years | | | |
| Management employees | 11.32 | 12.14 | 12.26 |
| Non-management employees | 7.91 | 8.11 | 7.39 |
| Mortality rate | IALM (2006-08) Ult. | IALM (2006-08) Ult. | IALM (2006-08) Ult. |
| Attrition rate | 4% | 4% | 4% |
| Retirement age | 60 | 60 | 60 |

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

| | Change in assumption | Impact on defined benefit obligation | |
|------------------------|-------------------------|--------------------------------------|------------------------|
| | | Increase assumption | Decrease assumption |
| Discount rate | ± 1% | (13.11) | 14.66 |
| Salary Escalation Rate | ± 1% | 14.30 | (13.02) |

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

ii) Compensated Absences: The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary.

The disclosure in respect of the defined Compensated Absences are given below:

| | | | |
|---|------|-------|------|
| Expenses recognised in statement of profit and loss | 6.06 | 19.09 | 3.09 |
| Balance sheet liability | 6.06 | 19.09 | 3.09 |

32 OTHER COMMITMENTS

Estimated amount of contract remaining to be executed on capital account not provided for (net of advances)

| | | | |
|--------------|----------|---------------|-------------|
| | - | 292.30 | 4.75 |
| TOTAL | - | 292.30 | 4.75 |

33 CONTINGENT LIABILITIES

| | | | |
|--|---------------|---------------|---------------|
| Bank guarantees to government authorities | 10.00 | 10.00 | 6.00 |
| Claims not acknowledged as debts (excluding further interest, if any): | | | |
| Excise duty | 241.63 | 253.68 | 269.78 |
| Income taxes | 5.50 | 112.86 | 107.36 |
| Sales tax | 33.91 | 33.91 | 23.85 |
| Land revenue cess | 25.97 | - | - |
| TOTAL | 317.01 | 410.45 | 406.99 |

The Company's pending litigations comprise mainly claims against the Company, proceedings pending with tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

34 RELATED PARTY DISCLOSURES

Enterprise where the control exists

Jumbo World Holdings Limited
Alfamont (Mauritius) Limited

Relationship

Ultimate Holding Company
Holding Company

Other related parties

Aasman Management Services Pvt. Ltd.; Dandvati Investments & Trading Co. Pvt. Ltd.; Derby Electricals (India) Pvt. Ltd.; Firestorm Electronics Corporation Pvt. Ltd.; GWL Properties Ltd.; Harshit Finlease & Investments Pvt.Ltd.; Jumbo Electronics Corporation Pvt. Ltd.; Jumbo Investments Ltd.; Jumbo World Holdings (India) Pvt. Ltd.; MPIL Corporation Ltd.*; Primo Enterprises Pvt. Ltd.; SMN Engineers Ltd.; Starfire Investments Ltd.; Wizer Advertising Pvt. Ltd.

*till 28.8.2017

Key managerial personnel

Ashok Kapur
Mahesh Verma
Priya Gupta
Garvita Asati

Whole time director
Company Secretary
Chief Financial Officer (till April 30, 2017)
Chief Financial Officer (w.e.f. August 7, 2017)

Brief particulars of arrangements with related parties

| Name of Related Party | Nature of contract / arrangement | Salient terms of contract | Date of approval by the board | Amount of advance paid, if any |
|-----------------------|---|---|--------------------------------|--------------------------------|
| MPIL Corporation Ltd. | Providing Infrastructure and secretarial services | ₹50,000 per month | 27 th May 2014 | Nil |
| MPIL Corporation Ltd. | Lease of Guest House in Mumbai | ₹30,000 per month for a period of 3 years from 1 st Oct 2014 to 30 th Sept 2017 | 11 th November 2014 | Nil |

- (i) All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.
(ii) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year, except as discussed above.
(iii) Related party relationships have been identified by the management and relied upon by the Auditors

Particulars of transaction and outstanding balances with related parties

| | Year ended 31st March 2018 | Year ended 31st March 2017 |
|--|-------------------------------|-------------------------------|
| Transactions with related parties | | |
| MPIL Corporation Limited | | |
| (i) Guest house lease rent | 1.80 | 3.60 |
| (ii) Fees for infrastructure services & other expenses | 3.91 | 8.04 |
| Balances due to related parties | | |
| MPIL Corporation Limited | - | 0.93 |
| Transactions with Key Managerial Personnel | | |
| (i) Remuneration Paid to Mr. Ashok K Kapur, Wholetime Director | 35.39 | 35.20 |
| (ii) Remuneration Paid to Mr. Mahesh Verma, Company Secretary | 12.00 | 11.59 |
| (iii) Remuneration Paid to Ms. Priya Gupta, Chief Financial Officer | 0.59 | 4.99 |
| (iv) Remuneration Paid to Ms. Garvita Asati, Chief Financial Officer | 3.06 | - |

As the gratuity and compensated absences are computed for all the employees in aggregate, the amount relating to Key Managerial Personnel cannot be individually be identified.

35 EARNINGS PER SHARE

| | | |
|--|-----------|-----------|
| Profit available for equity shareholders | 818.92 | 624.78 |
| Weighted average number of equity shares | 60,49,587 | 60,49,587 |
| Nominal value of equity share | 10.00 | 10.00 |
| Earnings per share - Basic / Diluted | 13.54 | 10.33 |

36 NET DIVIDEND REMITTED IN FOREIGN CURRENCY

| | | |
|---------------------------|-----------|-----------|
| No. of Shareholder(s) | 1 | 1 |
| No. of Equity Shares | 45,37,189 | 45,37,189 |
| Amount Remitted | 181.49 | 181.49 |
| Year to which it pertains | 2016-17 | 2015-16 |

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

| Particulars | As at 31st March, 2018 | | | As at 31st March, 2017 | | | As at 1st April, 2016 | | |
|--|--------------------------|-----------------|----------------|--------------------------|-----------------|----------------|--------------------------|-----------------|----------------|
| | Fair Value per unit ₹ | No. of units | Total value | Fair Value per unit ₹ | No. of units | Total value | Fair Value per unit ₹ | No. of units | Total value |
| 37 NON-CURRENT INVESTMENTS | | | | | | | | | |
| Investments in Mutual Funds (at NAV) - Quoted | | | | | | | | | |
| HDFC FMP 370D August 2013 (I) Series 26 | - | - | - | - | - | - | 12.72 | 10,00,000 | 127.20 |
| HDFC FMP 435Days March 2014 (I) | - | - | - | - | - | - | 11.96 | 11,00,000 | 131.51 |
| IDFC Super Saver Income Fund- Short Term-Growth | 35.37 | 2,47,085 | 87.40 | 33.37 | 2,47,085 | 82.46 | 30.84 | 2,47,085 | 76.19 |
| IDFC Fixed Term Plan Series 34-Growth | - | - | - | - | - | - | 12.57 | 10,00,000 | 125.74 |
| HDFC Prudence Fund-Growth | 506.05 | 46,611 | 235.88 | - | - | - | - | - | - |
| IDFC Super Saver Income Fund- Medium Term-Growth | 29.09 | 6,00,833 | 174.76 | 27.73 | 10,96,722 | 304.10 | 25.34 | 10,96,722 | 277.88 |
| HDFC FMP 435Days March 2014 (I) | - | - | - | 12.90 | 11,00,000 | 141.85 | - | - | - |
| UTI Fixed Term Income Fund-Series XVII-XVIII | - | - | - | 12.97 | 12,50,000 | 162.12 | - | - | - |
| UTI FMP Regular Plan 03/14-Growth | - | - | - | 12.81 | 10,00,000 | 128.13 | - | - | - |
| ICICI Prudential Income-Growth | 55.05 | 8,30,126 | 457.00 | 52.28 | 8,30,126 | 433.99 | 46.41 | 8,30,126 | 386.31 |
| IDFC Super Saver Income Fund-Growth | 41.28 | 7,77,167 | 320.79 | 40.44 | 7,77,167 | 314.27 | 35.85 | 7,77,167 | 278.60 |
| Reliance Dynamic Bond Fund-Growth | 23.18 | 16,71,699 | 387.50 | 22.36 | 16,71,699 | 373.80 | 20.06 | 16,71,699 | 335.41 |
| BSL Dynamic Bond Fund-Retail-Growth | 29.98 | 8,23,118 | 246.78 | 29.03 | 8,23,118 | 238.96 | 26.34 | 8,23,118 | 216.82 |
| Reliance Short Term Fund-Growth | 32.65 | 9,60,791 | 313.72 | 30.82 | 9,60,791 | 296.08 | 28.28 | 9,60,791 | 271.70 |
| ICICI Prudential Short Term Fund-Growth | 36.21 | 10,97,932 | 397.59 | 34.12 | 10,97,932 | 374.65 | 30.95 | 10,97,932 | 339.85 |
| Reliance Income Fund-Growth | 54.87 | 3,78,248 | 207.53 | 53.21 | 3,78,248 | 201.25 | 47.97 | 3,78,248 | 181.44 |
| Birla Sunlife Income Plus-Growth | 75.99 | 4,66,17,607 | 466.18 | 73.29 | 4,66,17,607 | 449.60 | 66.06 | 6,13,470 | - |
| Birla Sunlife Short Term Fund-Growth | 66.45 | 1,33,977 | 89.02 | 62.27 | 1,33,977 | 83.43 | 56.88 | 1,33,977 | 76.20 |
| Birla Sunlife Saving Fund-Growth | 343.92 | 9,276 | 31.90 | - | - | - | - | - | - |
| HDFC Short Term Plan-Growth | 35.24 | 3,10,026 | 109.25 | - | - | - | - | - | - |
| UTI-Income Opportunities Fund-Growth | 16.88 | 22,21,060 | 375.00 | - | - | - | - | - | - |
| Birla Sunlife Corporate Bond Fund-Growth | 13.30 | 32,94,855 | 438.38 | - | - | - | - | - | - |
| HDFC Corporate Debt Opportunity Fund-Growth* | 14.93 | 14,04,790 | 209.79 | - | - | - | - | - | - |
| HDFC Equity Savings Fund-Growth | 36.11 | 4,15,125 | 149.92 | - | - | - | - | - | - |
| UTI Fixed Term Income Fund-Series XVII-XVIII | - | - | - | - | - | - | 12.03 | 12,50,000 | 150.36 |
| UTI FMP Regular Plan 03/14-Growth | - | - | - | - | - | - | 11.83 | 10,00,000 | 118.33 |
| Reliance Corporate Bond Fund-Growth | 14.48 | 14,77,957 | 214.00 | - | - | - | - | - | - |
| TOTAL | | | 4912.38 | | | 3584.69 | | | 3498.77 |

*Provided as Security against an Overdraft facility from a Bank and overdraft as at the year end is ₹ 0.31 lakh (as at 31.03.2017- Nil, as at 31.03.2016- Nil)

38 CURRENT INVESTMENTS

Investments in Mutual Funds (at NAV) - Quoted

| | | | | | | | | | |
|---|---------|--------|---------------|---------|----------|---------------|---------|----------|---------------|
| Reliance Quarterly Interval Fund- Series II-Growth | - | - | - | - | - | - | 20.50 | 9,26,707 | 192.28 |
| Reliance Money Manager Fund-Growth | 2438.69 | 3.46 | 0.08 | 2276.52 | 4,463 | 101.60 | 2099.70 | 161 | 3.38 |
| HDFC CMF Treasury Adv - Retail-Growth | 14.93 | 2,786 | 1.06 | - | - | - | - | - | - |
| HDFC Prudence Fund-Growth | - | - | - | 471.97 | 46,611 | 219.96 | - | - | - |
| HDFC Cash Management Fund | - | - | - | 35.43 | 33,501 | 10.81 | - | - | - |
| HDFC Short Term Plan-Growth | - | - | - | 27.55 | 3,10,026 | 85.42 | - | - | - |
| Birla Sunlife Savings Fund-Growth | - | - | - | 320.11 | 8,303 | 26.59 | 293.82 | 8,769 | 25.76 |
| Birla Sunlife Income Plus-Growth | - | - | - | 320.11 | 12,922 | 41.36 | - | - | - |
| Birla Sunlife Cash Plus-Growth | 279.38 | 54,594 | 152.53 | 261.31 | 1,34,691 | 351.97 | - | - | - |
| Birla Sunlife Cash Manager Fund | 436.02 | 39,356 | 171.60 | 406.03 | 9,934 | 40.32 | 372.78 | 16,496 | 61.49 |
| TOTAL | - | - | 325.27 | - | - | 878.03 | - | - | 282.91 |

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

39 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. As part of initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of environment / river protection, education, livelihood, healthcare, sanitation, rural development, promotion of sports and cultural activities, which are specified in Schedule VII of the Companies Act, 2013. The amount spent on the same is given below:

| | Year ended 31st March 2018 | Year ended 31st March 2017 |
|--|-------------------------------|-------------------------------|
| Gross amount required to be spent by the company | 27.45 | 40.52 |
| Amount spent during the year on: | | |
| - Construction / acquisition of any asset | - | - |
| - Purposes other than above | 27.74 | 40.17 |

40 RESEARCH & DEVELOPMENT EXPENDITURE

Revenue expenditure

| | | |
|--------------------|-------|-------|
| Salaries and wages | 11.44 | 14.63 |
| Other expenses | 4.48 | 0.02 |

Capital expenditure

| | | |
|---------------------|---|------|
| Plant and Machinery | - | 9.47 |
|---------------------|---|------|

41 FIRST TIME ADOPTION OF IND AS

The accounting policies set out in Note 2 have been applied in preparing the financial statements from the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the Company's date of transition). In preparing the opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP or Indian GAAP). An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and exceptions availed

A. Ind AS optional exemptions

Deemed Cost

The Company on first time adoption of Ind AS, has elected to continue with the carrying value for all of its property, plant & equipment and other intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed costs as at the date of transition.

B. Ind AS mandatory exemptions

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP.

The Company made estimates for following item in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- Impairment of financial assets based on expected credit loss model.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(iii) De-recognition of financial assets and financial liabilities

The Company has elected to apply derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

C. Transition to Ind AS - reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- Reconciliation of Balance sheet as at 31st March, 2017
- Reconciliation of Balance sheet as at 1st April, 2016
- Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

I. Reconciliation of Balance sheet as at 31st March, 2017

| Particulars | Notes | As at 31st March, 2017 Previous GAAP | Adjustments | As at 31st March, 2017 Ind AS |
|--------------------------------------|-------|--|-----------------|-------------------------------------|
| A. ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 2152.27 | (0.03) | 2152.24 |
| Capital work-in-progress | | 0.21 | - | 0.21 |
| Other Intangible assets | | 1.60 | - | 1.60 |
| Financial assets: | | | | |
| - Investments | (i) | 2944.48 | 659.71 | 3604.19 |
| - Other non-current assets | (v) | - | 8.20 | 8.20 |
| Total non-current assets | | 5098.56 | 667.88 | 5766.43 |
| Current assets | | | | |
| Inventories | | 3822.83 | - | 3822.83 |
| Financial assets: | | | | |
| - Investments | (i) | 861.86 | 16.17 | 878.03 |
| - Trade receivables | | 1605.29 | - | 1605.29 |
| - Cash and cash equivalents | | 150.44 | - | 150.44 |
| - Bank balances other than above | | 1211.50 | - | 1211.50 |
| - Loans | (v) | 383.70 | (359.83) | 23.86 |
| - Other financial assets | (v) | - | 122.81 | 122.81 |
| Current tax assets (net) | (v) | 174.21 | (174.21) | - |
| Other current assets | | - | 403.04 | 403.04 |
| Total current assets | | 8209.83 | 7.97 | 8217.80 |
| TOTAL ASSETS | | 13308.38 | 675.85 | 13984.23 |
| B. EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | | 605.03 | - | 605.03 |
| Other equity | (i) | 10458.64 | 788.12 | 11246.76 |
| Total equity | | 11063.67 | 788.12 | 11851.79 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Deferred tax liabilities (net) | (iv) | 466.30 | 179.57 | 645.87 |
| Other non-current liabilities | | - | - | - |
| Total non-current liabilities | | 466.30 | 179.57 | 645.87 |
| Current liabilities | | | | |
| Financial liabilities: | | | | |
| - Borrowings (Bank Overdraft) | | - | - | - |
| - Trade payables | | 1027.40 | - | 1027.40 |
| - Other financial liabilities | (v) | - | 102.01 | 102.01 |
| Other current liabilities | (v) | 296.31 | (89.09) | 207.22 |
| Provisions | (iii) | 423.41 | (304.77) | 118.65 |
| Current tax liabilities (net) | | 31.29 | - | 31.29 |
| Total current liabilities | | 1778.41 | (291.84) | 1486.57 |
| TOTAL EQUITY AND LIABILITIES | | 13308.38 | 675.85 | 13984.23 |

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

II. Reconciliation of Balance sheet as at 1st April, 2016

| Particulars | Notes | As at 1st April, 2016 Previous GAAP | Adjustments | As at 1st April, 2016 Ind AS |
|--------------------------------------|-------|---|-----------------|------------------------------------|
| A. ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 2249.99 | - | 2249.99 |
| Capital work-in-progress | | 0.23 | (0.02) | 0.21 |
| Other Intangible assets | | 2.92 | - | 2.92 |
| Financial assets: | | - | - | - |
| - Investments | (i) | 2631.50 | 873.77 | 3505.27 |
| - Other non-current assets | (v) | - | 2.19 | 2.19 |
| Total non-current assets | | 4884.64 | 875.94 | 5760.58 |
| Current assets | | | | |
| Inventories | | 3606.03 | - | 3606.03 |
| Financial assets | | | | |
| - Investments | (i) | 778.63 | (495.72) | 282.91 |
| - Trade receivables | | 1678.56 | (0.01) | 1678.55 |
| - Cash and cash equivalents | | 105.30 | - | 105.30 |
| - Bank balances other than above | | 1252.39 | - | 1252.39 |
| - Loans | (v) | 371.61 | (356.04) | 15.57 |
| - Other financial assets | (v) | - | 129.19 | 129.19 |
| Current tax assets (net) | (v) | 157.55 | (157.55) | - |
| Other current assets | | - | 382.21 | 382.21 |
| Total current assets | | 7950.07 | (497.92) | 7452.15 |
| TOTAL ASSETS | | 12834.71 | 378.02 | 13212.73 |
| B. EQUITY AND LIABILITIES | | | | |
| Equity | | 605.02 | 0.01 | 605.03 |
| Equity share capital | | 10343.34 | 569.88 | 10913.22 |
| Other equity | (i) | 10948.36 | 569.89 | 11518.25 |
| Total equity | | | | |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Deferred tax liabilities (net) | (iv) | 503.60 | 99.37 | 602.97 |
| Other non-current liabilities | | - | - | - |
| Total non-current liabilities | | 503.60 | 99.37 | 602.97 |
| Current liabilities | | - | | |
| Financial liabilities | | - | | |
| - Borrowings (Bank Overdraft) | | 152.42 | - | 152.42 |
| - Trade payables | | 494.46 | (0.01) | 494.45 |
| - Other financial liabilities | (v) | - | 131.94 | 131.94 |
| Other current liabilities | (v) | 277.95 | (118.95) | 159.00 |
| Provisions | (iii) | 401.06 | (304.23) | 96.83 |
| Current tax liabilities (net) | | 56.86 | 0.01 | 56.87 |
| Total current liabilities | | 1382.75 | (291.24) | 1091.51 |
| TOTAL EQUITY AND LIABILITIES | | 12834.71 | 378.02 | 13212.73 |

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

III. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

| Particulars | Notes | Year ended 31st March, 2017 Previous GAAP | Adjustments | Year ended 31st March, 2017 Ind AS |
|---|-------|---|----------------|--|
| Income | | | | |
| Revenue from Operations | | 11275.51 | - | 11275.51 |
| Other Income | (i) | 286.39 | 297.79 | 584.18 |
| Total Income | | 11561.90 | 297.79 | 11859.69 |
| Expenses | | | | |
| Cost of materials consumed | (v) | 7069.67 | (115.49) | 7185.15 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade (Increase) / Decrease | | 77.62 | - | 77.62 |
| Employee benefits expense | (ii) | 992.02 | (14.19) | 1006.21 |
| Finance Costs | | 6.20 | - | 6.20 |
| Depreciation | | 114.74 | - | 114.74 |
| Power & Fuel | | 1832.56 | - | 1832.56 |
| Other Expenditure | (v) | 920.39 | 115.49 | 804.90 |
| Total Expenses | | 11013.20 | (14.19) | 11027.38 |
| Profit / (loss) before exceptional items and tax | | 548.70 | 283.60 | 832.31 |
| Exceptional Items | | - | - | - |
| Profit before tax | | 548.70 | 283.60 | 832.31 |
| Tax expense | | | | |
| (a) Provision for Income Tax | | 179.44 | - | 179.44 |
| (b) Adjustment for Earlier Year Tax | | - | - | - |
| (c) Provision for Deferred Tax | (iv) | (37.30) | (79.58) | 42.28 |
| Total | | 142.14 | (79.58) | 221.72 |
| Profit for the period | | 406.56 | 204.02 | 610.59 |
| Other comprehensive Income | | | | |
| Remeasurement (Gain/(Loss)) of Post Employment | | | | |
| Benefit Liability | (ii) | - | 14.19 | (14.19) |
| Total | | - | 14.19 | (14.19) |
| Total comprehensive income for the period (comprising profit/(loss) and other comprehensive income | | 406.56 | 218.22 | 624.78 |

Notes to reconciliation of Balance Sheet as at 31st March, 2017, 1st April 2016 and Statement of Profit & Loss for the year ended 31st March, 2017

(i) Fair Valuation of Investments

Under previous GAAP, investment in debts and equity instruments were classified into Non-Current and Current Investments, these were carried at cost. Under Ind AS, these investments are required to be measured at fair value either through OCI (FVTOCI) or through Profit & loss (FVTPL). The company has opted to fair value these investments through Profit & loss (FVTPL). Accordingly, resulting fair value change of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit & loss account for the year ended 31st March 2017.

(ii) Remeasurements of post employment benefit obligations

Under the Previous GAAP, cost relating to post employment benefit obligations including actuarial gain/losses were recognised in profit & loss. Under Ind AS, actuarial gain/losses on the net defined benefit liability are recognised in other comprehensive income instead of profit & loss.

(iii) Proposed Dividend

Under the Previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as subsequent events. Accordingly, provision for proposed dividend including dividend distribution tax was recognised as liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

(iv) Deferred taxes

Under Previous GAAP, deferred taxes were recognised based on Profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base.

(v) Financial Assets / Financial Liabilities

Financial assets / Financial liabilities are stated at fair value as per Ind AS as against historical cost as per the Previous GAAP.

42 RISK MANAGEMENT

Financial risk management objectives and policies :

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activity expose it to market risk, liquidity risk, commodity risk and credit risk. The Company's financial risk management policy is set by the Risk Management Committee and governed by overall direction of Board of Directors of the Company.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

| Risk | Exposure arising from | Measurement | Risk Management |
|-------------------------------------|--|---|---|
| (i) Credit risk | Cash and cash equivalents, trade receivables, financial instruments, financial assets measured at amortised cost | Ageing analysis Credit ratings | Credit limits and letters of credit and Performance guarantees. |
| (ii) Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| (iii) Market risk – interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Interest rate swaps |
| (iv) Market risk – foreign exchange | Future commercial recognised financial assets and liabilities not denominated in Indian rupees | Cash flow forecasting Sensitivity analysis | Forward foreign exchange contracts |
| (v) Commodity risk | Purchase of Raw Material | As per production planning and budgeting | Procurement and inventory strategy |

I. CREDIT RISK

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual credit limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information. Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the company. The company provides for overdue outstanding as per the policy approved by the Board of Directors, which are evaluated on a case to case basis.

The Company's concentration of risk with respect to trade receivables is low, as its customer's base is widely spread across the length and breadth of the country and majority of the customers are with sound financial health.

The average credit period extended to customers ranges from 30 - 60 days

(a) Expected credit loss for trade receivables under simplified approach

| Due from the date of invoice | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|------------------------------|--------------------------|--------------------------|-------------------------|
| 0-6 months | 1842.02 | 1514.75 | 1672.89 |
| 6-9 months | 66.02 | - | - |
| 9-12 months | 2.59 | 42.17 | - |
| beyond 12 months | 0.30 | 48.37 | 5.66 |
| Total | 1910.93 | 1605.29 | 1678.55 |

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

(b) Reconciliation of loss allowance provision - Trade receivables

| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--------------------------------------|--------------------------|--------------------------|-------------------------|
| Opening provision | 44.89 | 38.50 | 38.50 |
| Additional provision made | 35.31 | 10.26 | - |
| Less Bad debts written off/recovered | 29.60 | 3.87 | - |
| Closing provision | 50.60 | 44.89 | 38.50 |

II. LIQUIDITY RISK

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company's treasury department is responsible for maintenance of liquidity (including quasi liquidity), continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management.

Management monitors the Company's net liquidity position on the basis of expected cash flows vis a vis debt service fulfillment obligation.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

Contractual maturity patterns of financial liabilities:

| Particulars | As at 31st March 2018 | | | As at 31st March 2017 | | |
|--|-------------------------|-----------------|---------------|------------------------|-----------------|----------------|
| | 0-1 year / on demand | 1 to 5 years | Total | 0-1 year/ on demand | 1 to 5 years | Total |
| Borrowings | 0.31 | - | 0.31 | - | - | - |
| Trade payable | 827.03 | - | 827.03 | 1027.40 | - | 1027.40 |
| Payables towards property, plant and equipment | - | - | - | 0.15 | - | 0.15 |
| Other financial liabilities | 60.48 | - | 60.48 | 101.86 | - | 101.86 |
| Total | 887.82 | - | 887.82 | 1129.41 | - | 1129.41 |

III. MARKET RISK - INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to balance the Company's position with regards to interest income and interest expense and to manage the interest rate risk, finance department performs a comprehensive interest rate risk management. The company is not exposed to significant interest rate risk as at the respective reporting dates.

IV. MARKET RISK- FOREIGN CURRENCY RISK

The Company is exposed to foreign exchange risk towards honouring of export/ import commitments. Management evaluates exchange rate exposure in this connection in terms of its established risk management policies which includes the use of derivatives like foreign exchange forward contracts to hedge risk of exposure in foreign currency. The company is not exposed to foreign currency risk at the respective reporting dates.

V. COMMODITY RISK

Principal Raw Material for Company's products is Crushed bone, HCL, Lime and Coal as a fuel. The Company sources its major raw material requirement from domestic suppliers located in various part of India.

The Company effectively manages with availability of material as well as price volatility based on the following:

- Raw materials are procured from different sources at competitive prices.
- Alternative sources are developed for uninterrupted supply of raw materials.
- Demand and supply are external factors on which company has no control; however the Company plans its production and sales from the experience gained in the past and on-going study and appraisal of the market dynamics, competition, economic policies and growth patterns of different segments of users of company's products.
- Specific steps to reduce the gap between demand and supply by expanding its customer base, delivery mechanisms, etc.
- Proper inventory control systems have been put in place.

The Risk committee of the Company comprising members from Board of Directors and the operations has developed and enacted a risk management strategy regarding commodity Price risk and its mitigation.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

43 FINANCIAL RISK FACTORS

(a) Capital risk management

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

(b) No asset has been pledged as security

(c) Dividends

The Company follows the policy of Dividend for any financial year as may be decided by Board considering financial performance of the company and other internal and external factors.

| | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|--|--------------------------------|--------------------------------|
| On Equity Shares | | |
| Final dividend for the year ended 31st March, 2017 of ₹4.00 per fully paid up share (31st March, 2016 - ₹ 4.00) (Including dividend distribution tax of ₹49.26 lakh (31st March 2016 - ₹49.26 lakh) | - | 291.24 |
| Dividends not recognised at the end of reporting period | | |
| Since year end, the directors have recommended the payment of a final dividend of ₹4.00 per fully paid up equity share (31st March, 2017 - ₹4.00 per fully paid up equity shares) (Including dividend distribution tax of ₹49.67 lakh (31st March 2017 - ₹49.26 lakh). The Proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 291.65 | -- |

44 FINANCIAL INSTRUMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- (i) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
- (ii) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter-party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

The carrying amounts and fair values of financial instruments by category are as follows:

| | FVOCI Note 2(xiii) | FVTPL Note 2(xiii) | Amortised Total | Total fair Value | Carrying Amount |
|------------------------------------|-----------------------|-----------------------|--------------------|---------------------|--------------------|
| 1st April, 2016 | | | | | |
| Investments | | 3788.18 | - | 3788.18 | 3788.18 |
| Trade receivables | - | - | 1678.55 | 1678.55 | 1678.55 |
| Cash and bank balances | - | - | 1357.70 | 1357.70 | 1357.70 |
| Loan | - | - | 15.57 | 15.57 | 15.57 |
| Others financial assets | - | - | 129.19 | 129.19 | 129.19 |
| Total financial assets | - | 3788.18 | 3181.01 | 6969.19 | 6969.19 |
| Financial liabilities | | | | | |
| Borrowings | - | - | 152.42 | 152.42 | 152.42 |
| Trade payables | - | - | 494.45 | 494.45 | 494.45 |
| Others financial liabilities | - | - | 131.94 | 131.94 | 131.94 |
| Total financial liabilities | - | - | 778.81 | 778.81 | 778.81 |
| 31st March, 2017 | | | | | |
| Financial assets | | | | | |
| Investments | - | 4482.22 | - | 4482.22 | 4482.22 |
| Trade receivables | - | - | 1605.29 | 1605.29 | 1605.29 |
| Cash and cash equivalents | - | - | 1361.94 | 1361.94 | 1361.94 |
| Loan | - | - | 23.86 | 23.86 | 23.86 |
| Other financial assets | - | - | 122.81 | 122.81 | 122.81 |
| Total financial assets | - | 4482.22 | 3113.90 | 7596.12 | 7596.12 |
| Financial liabilities | | | | | |
| Borrowings | - | - | - | - | - |
| Trade payables | - | - | 1027.40 | 1027.40 | 1027.40 |
| Others | - | - | 102.01 | 102.01 | 102.01 |
| Total financial liabilities | - | - | 1129.41 | 1129.41 | 1129.41 |
| 31st March, 2018 | | | | | |
| Financial assets | | | | | |
| Investments | - | 5257.15 | - | 5257.15 | 5257.15 |
| Trade receivables | - | - | 1910.93 | 1910.93 | 1910.93 |
| Cash and bank balances | - | - | 1039.47 | 1039.47 | 1039.47 |
| Loan | - | - | 20.59 | 20.59 | 20.59 |
| Others financial assets | - | - | 129.85 | 129.85 | 129.85 |
| Total financial assets | | 5257.15 | 3100.85 | 8358.00 | 8358.00 |
| Financial liabilities | | | | | |
| Borrowings | - | - | 0.31 | 0.31 | 0.31 |
| Trade payables | - | - | 827.03 | 827.03 | 827.03 |
| Others | - | - | 60.48 | 60.48 | 60.48 |
| Total financial liabilities | - | - | 887.82 | 887.82 | 887.82 |

Fair value estimation

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: quoted prices for identical instruments;
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lakh, unless otherwise stated)

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarised below:

| | Level 1 | Level 2 | Level 3 |
|-------------------------|---------|---------|---------|
| 1st April, 2016 | | | |
| Assets at fair value | 3788.18 | - | - |
| 31st March, 2017 | | | |
| Assets at fair value | 4482.22 | - | - |
| 31st March, 2018 | | | |
| Assets at fair value | 5257.15 | - | - |

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the years.

45 Post the applicability of Goods and Service Tax (GST) with effect from 1st July 2017, revenue from operations are disclosed net of GST, whereas Excise duty formed part of expenses in previous year. Accordingly, the revenue from operations and other expenses for the year are not comparable with previous year.

46 The Company is engaged in the manufacture and sale of Ossein and Gelatine. Since all these segments meet the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers these as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

47 Recent accounting pronouncements

Ind AS 115 - Revenue from Contracts with Customers

On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers effective from 1st April, 2018. The core principle of the new standard is that an entity should recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Ind AS 21 - Foreign currency transactions and advance consideration

On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from 1st April, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

Ind AS 12 - Income Taxes

Amendments to Ind AS 12, Income Taxes clarifying the requirements for recognising deferred tax assets on unrealised losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets. These amendments only clarify the existence of guidance of Ind AS 12 and do not change the underlying principles for recognition of deferred tax asset.

The effect on adoption of Ind AS are expected to be insignificant.

48 Certain financial assets and financial liabilities are subject to formal confirmation and reconciliations. The Management, however, is confident that the impact whereof, if any, for the year on the financial statements will not be material.

49 The financial statements were approved for issue by the Board of Directors on 29th May, 2018.

For and on behalf of the Board

Ravindra K Raje
Director
DIN:00112003

Ashok K Kapur
Wholtime Director
DIN:00126807

Mahesh Verma
Company Secretary

Garvita Asati
Chief Financial Officer

Place : Jabalpur
Date : 29th May, 2018

NOTICE OF ANNUAL GENERAL MEETING

NARMADA GELATINES LIMITED

CIN: L24111MP1961PLC016023

Registered Office: 28, CARAVS, 15 Civil Lines, Jabalpur – 482001, M.P.

Notice is hereby given that the Fifty-Seventh Annual General Meeting of the Members of Narmada Gelatines Limited will be held on Wednesday, 26th September, 2018 at 11:30 a.m., at Hotel Satya Ashoka, Wright Town, Jabalpur – 482002, to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the audited Financial Statements of the Company for the year ended 31st March, 2018 including the Reports of the Board of Directors and Auditors thereon and in this respect to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT the audited Financial Statements of the Company for the year ended 31st March, 2018, including the Balance Sheet as at that date and the Statement of Profit and Loss Account and the Cash Flow Statement for the year ended on that date together with the Reports of the Directors and Auditors thereon as laid before this Meeting be and are hereby approved and adopted."

2. To declare dividend on equity shares for the financial year ended 31st March, 2018 and in this respect to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the recommendation of the Board of Directors, dividend @ 40% i.e. ₹ 4.00 per Equity Share of ₹ 10/- each fully paid-up, be and is hereby declared in respect of the financial year ended 31st March, 2018 and that the Dividend be paid to those Equity Shareholders whose names appear on the Register of Equity Shareholders as on 19th September, 2018 or to their mandatees."

3. To appoint a director in place of Ms Drushti R. Desai (DIN 00294249), who retires by rotation and, being eligible, offers herself for re-appointment and in this respect to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Ms Drushti R. Desai (DIN 00294249), Director of the Company, who retires by rotation and being eligible offers herself for re-appointment be and is hereby re-appointed, as a Director of the Company, liable to retire by rotation."

By Order of the Board of Directors
For Narmada Gelatines Limited

Mahesh Verma
Company Secretary

Jabalpur
7th August, 2018

Registered Office:
CARAVS, Room No. 28
15 Civil Lines, Jabalpur – 482001

Notes:

- (a) The Register of Members and the Share Transfer Register will remain closed from 20th September to 26th September, 2018 (both days inclusive).
- (b) The Company is providing facility for voting on the business set out in the Notice by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note (v) herein below. The Company will also send a separate communication relating to remote e-voting which, inter alia, would contain details about User ID and password along with a copy of this Notice.
- (c) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable. A Proxy form is attached to this Notice.
- (d) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

- (e) Brief resume of Director proposed to be appointed/re-appointed, nature of her expertise in specific functional areas, names of the companies in which she holds directorships, memberships/chairmanships for Board Committees, shareholding and relationship between directors inter-se as stipulated in Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per provisions mentioned in clause 1(1.2.5) of the Secretarial Standard - 2 on 'General Meetings issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government, for person seeking re-appointment/appointment as director are annexed to this Notice and in the Corporate Governance Report forming part of the Annual Report.
- (f) Members and proxy holders are requested to bring their attendance slip along with their copies of the Annual Report to the Meeting.
- (g) Members who hold shares in dematerialised form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
- (h) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (i) Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m., up to the date of the Meeting.
- (j) Dividend on Equity Shares, if declared at the meeting will be credited / dispatched on or after 26th September, 2018 to those members whose names appear on the Company's Register of Members as on 19th September, 2018 (Record Date). In respect of shares held in electronic mode, the dividend will be paid to members whose names are furnished by the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as the beneficial owners on 19th September, 2018
- (k) Members are requested to notify immediately :
- to their Depository Participants (DP) in respect to their Electronic Share Account; and
 - to the Company at its Registered Office or to the Registrars and Share Transfer Agents of the Company in respect of their physical share holdings
- any change of address and also particulars of their Bank Accounts viz. Name of Bank, Branch, complete address of the Bank and Account Number for printing the same on the Dividend Warrants to avoid fraudulent encashment
- (l) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
- (m) Any Member desirous of obtaining any information on the Accounts of the Company may forward such queries in writing to the Company Secretary at the Registered Office, at least ten days prior to the date of the Meeting.
- (n) Members having multiple ledger folio in identical name or joint names in identical order, are requested to intimate to the Company or its Registrars such ledger folio(s) for consolidating such multiple holdings into a single account.
- (o) Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), the Company has transferred the unpaid or unclaimed dividends for the financial years ended 31st March, 2010, from time to time, to the Investor Education and Protection Fund (IEPF) established under Section 205C of the Act. In accordance with the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 20th September, 2017 (date of last Annual General Meeting) on the website of the Ministry of Corporate Affairs (MCA). Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company.
- (p) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), as amended from time to time, the Company has, during financial year 2017-18, transferred to the IEPF Authority all equity shares of the Company in respect of which dividends for seven consecutive years or more remaining unpaid or unclaimed as on the due date of transfer. Members may note that shares as well as unclaimed dividend transferred to IEPF Authority can be claimed back from them. Concerned members/Investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> for lodging claim for refund of shares and / or dividends from the IEPF authority.
- (q) In terms of the provisions of Section 72 of the Companies Act, 2013, read with Rule 19 of the Companies (Share Capital & Debentures) Rules, 2014, a Member may nominate, at any time, in the prescribed manner in Form No. SH.13, a person to whom his/her shares in the Company shall vest in the event of his/her death. This may be sent to the Company Secretary at the Registered Office, duly completed.
- (r) Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar & Share Transfer Agents, M/s. CB Management Services Pvt. Ltd.
- (s) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- (t) Non-Resident Indian members are requested to inform the Company's Registrar and Share Transfer Agents immediately of:
- a. change in the residential status on return to India for permanent settlement; and

- b. particulars of their Bank account maintained in India with complete name, branch, account type, account no. and address of the bank, if not furnished earlier.
- (u) Electronic copy of the Annual Report and Notice of the 57th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 57th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- (v) Members may also note that the Notice of the 57th Annual General Meeting and the Annual Report for the financial year ended March 31, 2018 will be available on the Company's website www.narmadagelatines.com.

Members are also requested to inform their correct e-mail address, if any, to the Depositories (if shares held in demat form) and to the Registrars and share transfer agents by visiting their website namely "www.cbmsl.com/green.php" (if shares held in physical form) in compliance of Green Initiative as per circular No. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs to facilitate the company to send notice/documents through e-mail.

Members who do not have access to e-voting facility may write to the Company of their intention to exercise their assent or dissent on shareholders' resolution by way of postal ballot. The company shall provide postal ballot facility to such members.

- (w) Voting through electronic and other means :

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members the facility to exercise their right to vote on resolutions proposed to be passed in the AGM by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the AGM ('remote e-voting').

- The facility for voting through ballot or polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot or polling paper.
- The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.
- The voting rights of shareholders shall be reckoned on the paid-up value of equity shares registered in the name of the member /beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 19th September, 2018.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 19, 2018 only shall be entitled to avail the facility of remote e-voting /ballot poll.
- The Board of Directors of the Company has appointed Dr Asim Kumar Chattopadhyay, Practicing Company Secretary (ICSI Membership No. FCS 2303), Ananya Complex, 3rd Floor, 209, B.T Road, Kolkata-700036, as the Scrutinizer to scrutinize the remote e-voting and Mr. Tapan Badkul, Cost and Management Accountant, Jabalpur as the Scrutinizer to scrutinize the voting process at the AGM in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
- The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated Scrutinizer's report and submit the same to the Chairman. The results declared alongwith the consolidated Scrutinizer's report shall be placed on the website of the Company www.narmadagelatines.com and on the website of CDSL, and the results shall simultaneously be communicated to the BSE Limited.
- The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 26, 2018.

Members are requested to read the instructions below carefully before exercising their vote through remote e-voting.

These details and instructions form an integral part of Notice for the Annual General Meeting to be held on 26th September, 2018.

Steps for E-voting

The instructions for members for remote e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Select the Electronic Voting Sequence Number - "EVSN" along with "NARMADA GELATINES LIMITED" from the drop down menu and click on "SUBMIT".
- (iv) Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user, follow the steps given below.

(vi) Fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form

| | |
|-----------------------|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) (i) 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 in the PAN field. (ii) 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. - Please enter the DOB or Dividend Bank Details in order to login. If 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 (vii). |

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the relevant EVSN on which you choose to vote.
- (xi) 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.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.co.in and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

The remote e-voting begins on 23rd September, 2018 (9:00 am) and ends on 25th September, 2018 (5:00 pm). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date of 19th September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board of Directors

For Narmada Gelatines Limited

Mahesh Verma

Company Secretary

Jabalpur
7th August, 2018

Registered Office:
CARAVS, Room No. 28 15,
Civil Lines, Jabalpur – 482 001

Annexure to Notice of Annual General Meeting

Details of Director seeking re-appointment/appointment at the 57th Annual General Meeting (in pursuance of SEBI Listing Regulations)

| | |
|---|--|
| Particulars | |
| Name | Ms. Drushti R. Desai |
| DIN | 00294249 |
| Date of Birth | 06.03.1973 |
| Date of Appointment in AGM | 22.09.2014 |
| Qualification | B.Com., Fellow member of the Institute of Chartered Accountants of India |
| Expertise in specific functional areas and past experience | Partner in Bansilal S Metha & Co; wide experience in the field on taxation and audit. |
| Directorship in other companies | Global Logic Technologies Limited Global Logic India Limited Kewal Kiran Clothing Limited MT Educare Limited Chemfab Alkalies Limited |
| Memberships / Chairmanships of committees across public companies | Audit Committee <ul style="list-style-type: none"> • Narmada Gelatines Limited • GlobalLogic Technologies Limited - Chairperson • GlobalLogic India Limited - Chairperson • Kewal Kiran Clothing Limited • MT Educare Limited - Chairperson • Chemfab Alkalies Limited Stakeholders' Relationship Committee <ul style="list-style-type: none"> • MT Educare Limited • Chemfab Alkalies Limited - Chairperson |
| Shareholding | Nil |



NARMADA GELATINES LIMITED

CIN: L24111MP1961PLC016023

Registered office : 28, CARAVS, 15 Civil Lines, Jabalpur - 482001, M.P.
Website : www.narmadagelatines.com, Email : ngljbp@rediffmail.com
Tel : Phone : (0761) 2830433

ATTENDANCE SLIP

57th ANNUAL GENERAL MEETING – 26th September, 2018

| | |
|-----------|---------------|
| DP ID | Folio No. |
| Client ID | No. of Shares |

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder* of the Company.
*Strikeout whichever is not applicable.

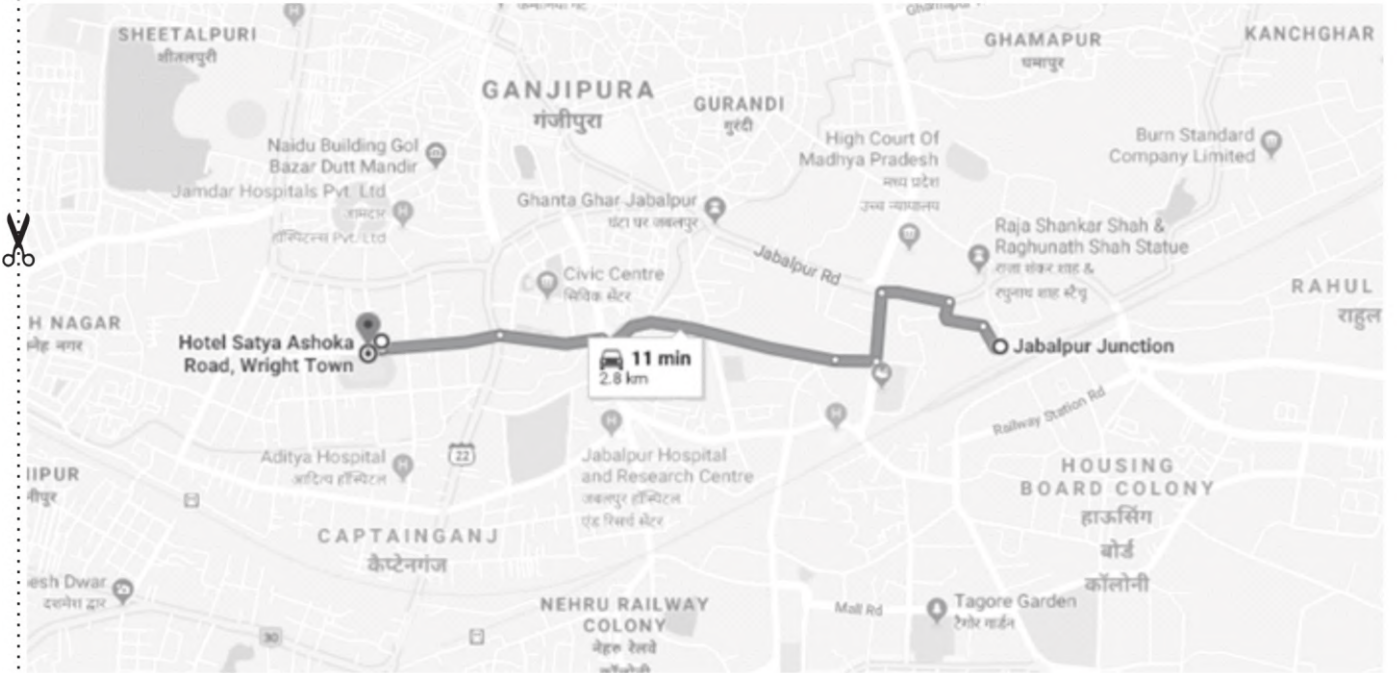
I hereby record my presence at the 57th ANNUAL GENERAL MEETING of the Company held on Wednesday, 26th September, 2018 at 11:30 a.m. at Hotel Satya Ashoka, Wright Town, Jabalpur-M.P.

Member's/Proxy's Name in BLOCK Letters

Member's / Proxy's Signature

Note : Please fill in this Attendance Slip and hand it over at the Entrance of the Hall.

Route Map of AGM Venue





NARMADA GELATINES LIMITED

CIN: L24111MP1961PLC016023

Registered office : 28, CARAVS, 15 Civil Lines, Jabalpur - 482001, M.P.
Website : www.narmadagelatines.com, Email : ngjbp@rediffmail.com
Tel : Phone : (0761) 2830433

FORM No. MGT 11 - PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

57th ANNUAL GENERAL MEETING – 26th September, 2018

| | |
|--------------------|--------------|
| Name of Member(s) | DP ID* : |
| Registered Address | Client ID* : |
| E-mail ID | Folio No. : |

**Applicable for investor holding shares in electronic form*

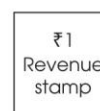
I / We, being the member(s) of _____ shares of Narmada Gelatines Limited, hereby appoint:

1. _____ of _____ E-mail Id : _____ or failing him
2. _____ of _____ E-mail Id : _____ or failing him
3. _____ of _____ E-mail Id : _____

and whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 57th Annual General Meeting of the Company, to be held on Wednesday the 26th day of September, 2018 at 11:30 a.m. at Hotel Satya Ashoka, Wright Town, Jabalpur, M.P. and at any adjournment thereof in respect of such resolutions as are indicated below (see note iv below):

| Resolution No. | Resolutions | Vote | | |
|----------------|--|------|---------|---------|
| | | For | Against | Abstain |
| 1 | To consider and adopt the audited Financial Statements, Reports of the Board of Directors and Auditors | | | |
| 2 | Declaration of dividend on equity shares | | | |
| 3 | Re-appointment of Ms. Drushti R Desai as a Director | | | |

Signed this _____ day of _____ 2018



Signature of Shareholder

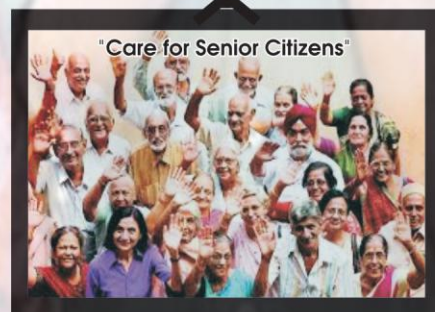
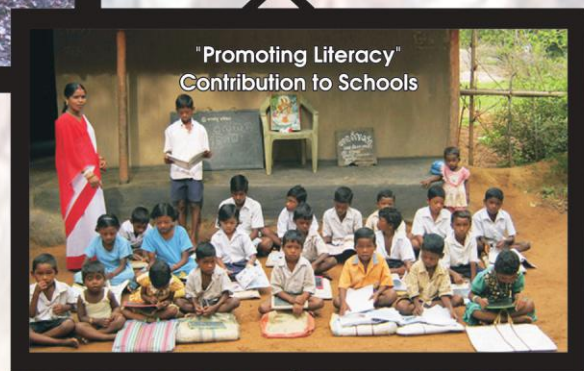
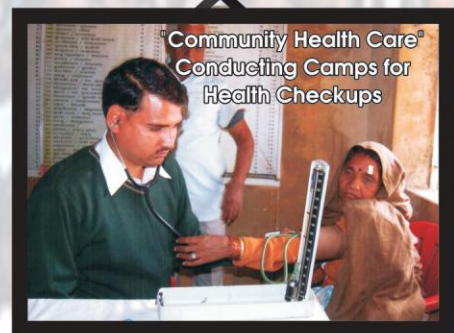
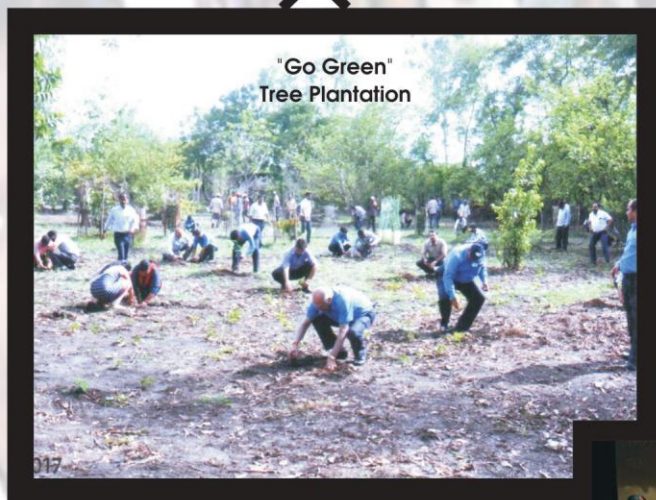
Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A Proxy need not be a member of the Company**
- A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- This is optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he / she so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but name of all the joint holders should be stated.





Narmada Gelatines Limited

CARAVS, Room No. 28, 15 Civil Lines, Jabalpur - 482001 (M.P.)