

# **Emmessar Biotech & Nutrition Ltd.**



**26<sup>th</sup> ANNUAL REPORT**

**2017 - 2018**

**BOARD OF DIRECTORS**

Shri Ashok M. Kadakia (Chairman)  
Shri MSR Ayyangar (Managing Director)  
Shri Arvind M. Shah  
Shri Manoj M. Shah  
Shri Vijay K. Agrawal  
Shri Ajay I. Bora  
Dr. (Mrs.) Anuradha S. Raghavan  
Dr. (Mrs.) Sarada S. Raghavan

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**AUDITORS**

V. Sankar Aiyar & Co.,  
Chartered Accountants  
2-C, Court Chambers  
35, New Marine Lines,  
Mumbai - 400 020

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**REGISTERED OFFICE & FACTORY**

Plot No. T-3/2, MIDC Area,  
P.O. Box No. 39,  
Taloja - 410 208,  
Dist. Raigad, Maharashtra.  
Tel: 022-20870587

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**ADMINISTRATIVE OFFICE**

29, Kamer Building, 4th floor,  
38, Cawasji Patel Street,  
Fort, Mumbai - 400 001.  
Tel : 022-49738167/68  
Email: enquiries@ebnl.org  
Exclusive email for Investors: investors@ebnl.org  
Website: www.ebnl.org

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## NOTICE

Notice is hereby given that the **Twenty Sixth Annual General Meeting of the Members of Emmessar Biotech & Nutrition Limited** will be held at the Registered Office of the Company at T-3/2, MIDC Area, Taloja-410208, Dist. Raigad, Maharashtra, on Wednesday, the 26<sup>th</sup> day of September, 2018 at 10.00 A.M. to transact the following business.

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018, the Reports of the Board of Directors and the Auditors' thereon.
2. To appoint a Director in place of Dr. (Mrs.) Anuradha S. Raghavan (DIN Number 06557718), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Dr. (Mrs.) Sarada S. Raghavan (DIN Number 06641146), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors and fix their remuneration and for this purpose, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 139, 142 and all other applicable, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time, the Company hereby ratifies the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants, Mumbai (ICAI Firm Registration Number: 109208W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 27th Annual General Meeting on such remuneration as shall be fixed by the Board of Directors based on the recommendation of the Audit Committee."

### SPECIAL BUSINESS

5. **RE-APPOINTMENT OF MR. MSR AYYANGAR (DIN NUMBER: 00090266) AS MANAGING DIRECTOR:**

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

**"RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of Board of Directors and subject to the provisions of Section 196, 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013, the relevant rules made thereunder read with Schedule V of the said Act (including any statutory

modifications and re-enactment thereof, for the time being in force), Consent of the members of the Company be and is hereby accorded for reappointment of Mr. MSR Ayyangar (DIN: 00090266) as Managing Director of the Company for a further period of five years with effect from 20<sup>th</sup> April, 2017 to 19<sup>th</sup> April, 2022, not liable to retire by rotation, on following terms & conditions and remuneration and that the said remuneration shall be paid to him as Minimum Remuneration in the event the Company has no profit or its profits are inadequate in any financial year;

- (i) Salary: ₹. 1,00,000/- (Rupees: One Lakh Only) per month w.e.f. 20<sup>th</sup> April, 2017 and subsequent 10% increase every year.
- (ii) Perquisites shall be in addition to the salary and shall be restricted to 50% of the salary as mentioned in (i) above to be reckoned on the basis of actual expenditure or liability incurred by the Company as provided under:
  - (a) Company's contribution towards provident fund subject to ceiling of 10% of the salary.
  - (b) Company's contribution towards pension / superannuation fund and such contribution together with the contribution to the Provident Fund shall not exceed 25% of the salary. (The overall ceiling referred to above will be non-inter changeable)
  - (c) Gratuity: (Non-interchangeable) not exceeding one half month's salary for each completed year in service, subject to a ceiling as fixed by the Government.
  - (d) Leave: Not exceeding one month's leave for every 11 months of service and subject to further condition that the leave accumulated but not availed of, will not be allowed to be encashed.
  - (e) Medical Benefit: Reimbursement of expenses incurred for self and family, the total cost of which shall not exceed three months salary in the block of three years.
  - (f) Free House: Housing accommodation including furniture, fixtures, appliances, gas, water and electricity charges subject to a ceiling of 40% of the salary on the condition that 10% of the salary would be borne by the managerial personnel.

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- (g) Leave Travel Concession: For self and family once in a year by air to any place in India and back (Halting expenses not payable).
- (h) Car: Free use of Company's car with driver.
- (i) Personal accident insurance of an amount, the annual premium for which does not exceed Rs 1,000/- per month.
- (j) Free Telephone facility at the residence.
- (k) Club Membership subject to a maximum of two clubs.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or the Committee of the Board, be and is hereby authorized to do all such acts, deeds and things and to alter, amend or vary the terms and conditions of the appointment and remuneration as may be agreed to between the Board of Directors and Mr. MSR Ayyangar within such guidelines or amendments as may be made to the Companies Act, 2013, and subject to such approvals as may be required including filing of necessary e-form with registrar of Companies as may be required to give effect to the aforesaid resolution."

**By the order of the Board  
For Emmessar Biotech & Nutrition Limited**

Place: Mumbai  
Date: 16.05.2018

MSR Ayyangar  
Managing Director

### NOTES:

1. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING SHALL BE ENTITLED TO APPOINT ANOTHER PERSON AS HIS/HER PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. MEMBERS / PROXIES ARE REQUESTED TO SIGN THE ATTENDANCE SLIP ANNEXED TO THE PROXY FORM AND HAND IT OVER AT THE GATE OF THE VENUE OF THE MEETING.**
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed there under, a person can act as proxy on behalf of Members not exceeding fifty (50) 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 a proxy and such proxy shall not act as a proxy for any other person or Member.
4. Corporate Members are requested to send a board resolution duly certified, authorising their representative to attend and vote on their behalf at the Annual General Meeting.
5. The proxy form should be signed by the appointer or his/her attorney duly authorised in writing or, if the appointer is a body corporate, the proxy form should be signed by an officer of the Company under his/her official seal or an attorney duly authorised by him/her.
6. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. upto the date of this Annual General Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed **from Wednesday, 19<sup>th</sup> September, 2018 to 26<sup>th</sup> September, 2018** (both days inclusive).
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their Demat accounts. Members holding shares in physical

form should submit their PAN to the Registrar/ Company.

9. Members are requested to bring their copy of the Annual Report to the Meeting.
10. Members are requested to send their queries, if any, in writing at least 10 days in advance of the day of the meeting.

11. Voting through Electronic means :

- i. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its Members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 26th Annual General Meeting (AGM) by Electronic means and the business may be transacted through e-Voting Services provided by **Link Intime India Pvt. Ltd. (LI IPL)**.

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 26th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

**Instructions for shareholders to vote electronically are as under:**

In case of members receiving e-mail:

1. The voting period begins on Saturday, 22.09.2018 (9.00 a.m.) and ends on Tuesday, 25.09.2018 (5.00p.m.). During this period shareholders of the Company, holding shares either in physical form or in Dematerialised form, as on the cut-off date i.e. 19.09.2018, may cast their vote electronically. The e-voting module shall be disabled by LI IPL for voting after 05.00 p.m. on 25.09.2018. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
2. Members holding shares in physical or in dematerialised form as on 19.09.2018 shall only be eligible for e-voting.

❖ **Log-in to e-Voting website of Link Intime India Private Limited (LI IPL)**

1. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
  - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
  - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company**
5. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

<b>For Shareholders holding shares in Demat Form or Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li> </ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.

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Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv).</li> </ul>
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If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

### If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LI IPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

### Cast your vote electronically

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
- On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.  
Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

- If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

### ❖ General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.  
They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please click here or you may refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in) or Call us :- Tel : 022 - 49186000.
- Please note that the Members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the Meeting. If a Member casts vote by both the modes, then votes cast through e-voting shall prevail and voting at the Meeting will be treated invalid. The voting rights of the Members shall be in proportion to their shares of the paid-up Equity

- Share Capital of the Company as on the Cut-off date of 19th September, 2018.
13. The poll process shall be conducted and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting shall be counted for the purpose of passing of resolution(s).
  14. The Company has appointed Mr. Dinesh Kumar Deora, Practising Company Secretary (Membership No. FCS 5683 CP No. 4119), as the Scrutinizer, to scrutinize the e-voting process, in a fair and transparent manner.
  15. 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.

**By the order of the Board  
For Emmessar Biotech & Nutrition Limited**

**Place: Mumbai**  
Date: 16.05.2018

**MSR Ayyangar**  
Managing Director

#### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**Item No. 5:**

Pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the Rules made thereunder and as recommended by the Nomination and Remuneration Committee of the Board, and subject to the approval of the shareholders, the Board of Directors at its meeting held on 1<sup>st</sup> November, 2017, the Board has re-appointed Mr. MSR Ayyangar (DIN 00090266) as the Managing Director of the Company with effect from 20<sup>th</sup> April, 2017, for a period of five years.

Mr. MSR Ayyangar aged about 69 years holds a Bachelor's degree in Electrical and Electronics from National Institute of Technology Warangal.

Mr. MSR Ayyangar, is the Chief Promoter of the Company and the Chief Technologist whose expertise in R&D has resulted in the successful development of all the products so far produced by the Company which have received acceptance for their international quality in the world markets. It is his diligence, perseverance and courage that has navigated the Company through extremely difficult and testing times. The Board feels that it is in the best interest of the Company that MSR Ayyangar continues as the Managing Director and the Chief Executive to lead the Company to greater heights of prosperity. Hence he is re-appointed as the Managing Director for the next 5 years. He is related to Ms. Anuradha

Srinivasa Raghavan and Ms. Sarada Srinivasa Raghavan, Directors of the Company.

Considering his association with the Company and adequate experience, the Board recommends confirmation of the re-appointment of Mr. MSR Ayyangar as Managing Director of the Company for a period of Five years with effect from 20<sup>th</sup> April, 2017 on the terms as to remuneration, allowances etc. as set out in the resolution being item No. 5 of the accompanying Notice subject to the approval of the Central Government required, if any, or any other approval as may be required under law.

The Board commends the Special Resolution set out at Item No. 5 of the accompanying Notice for the approval by the Shareholders. Except Mr. MSR Ayyangar, being the appointee, Ms. Anuradha Srinivasa Raghavan and Ms. Sarada Srinivasa Raghavan, none of the other Directors / Key Managerial Personnel / their relatives is in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 5 of the Notice.

**By the order of the Board  
For Emmessar Biotech & Nutrition Limited**

**Place: Mumbai**  
Date: 16.05.2018

**MSR Ayyangar**  
Managing Director



## 26th ANNUAL REPORT

### Directors' Report

Your Directors present their 26<sup>th</sup> Annual Report together with Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> March 2018.

<b>Financial Results</b>	<b>(₹. in Lacs)</b>	<b>(₹. in Lacs)</b>
	<b>2017-2018</b>	<b>2016-2017</b>
Profit / (Loss) before Interest,		
Depreciation and Tax:	84.65	120.43
Depreciation:	5.06	1.15
Provision for Current Tax (MAT)	22.00	--
Deferred Tax	(33.75)	0.42
Profit / (Loss) after tax	91.34	118.86
Other comprehensive income	1.81	0.82
Total comprehensive income	89.53	118.04

#### **Operations, Management's discussions and analysis:**

All the legal formalities with MIDC & the Indo-Canadian company have been completed successfully. After successful launching of website for digital marketing, PayPal account has been opened to facilitate purchase of our products from any locations globally. This will be a great facilitator for small individual buyers who have been requesting for such a facility for payment against purchase. We hope this will greatly facilitate improving our top line in future.

#### **Dividends:**

As the Company has accumulated losses, no dividend is recommended.

#### **Change in nature of business, if any:**

There has been no change in the nature of business of the Company during the year under review.

#### **Amounts transferred to Reserves:**

No amount is transferred to reserves.

#### **Deposits:**

During the financial year 2017-18, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

#### **Share Capital:**

The company has not issued shares with voting rights and / or differential voting rights nor granted stock options nor sweat equity during the year under review.

#### **Material Changes affecting the Financial Position of the Company:**

There have been no material changes / events occurring after balance sheet date till the date of the report to be stated.

#### **Details of Directors and Key Managerial Personnel:**

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Dr. (Mrs.) Anuradha S. Raghavan and Dr. (Mrs.) Sarada S. Raghavan, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

#### **Board Evaluation:**

Pursuant to the provisions of the Company's Act, 2013, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees,

culture, execution and performance of specific duties, obligations and governance.

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and the Clause 49 of the listing Agreement that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

The performance evaluation of the independent Directors was completed. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

#### **Number of Meetings of the Board:**

During the Financial Year 2017-2018, four meeting of the Board of Directors were held on 24th May, 2017, 1st August, 2017, 1st November, 2017 and 8th January, 2018

#### **Particulars of Loans, Guarantees or Investments by Company:**

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

#### **Whistle Blower Policy:**

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

#### **Remuneration and Nomination Policy:**

The Company has formulated the Nomination & Remuneration policy for its directors, key managerial personnel and other employees keeping in view the followings

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

This policy also lays down criteria for selection and appointment of Board Members.

#### **Vigil Mechanism:**

Company established a vigil mechanism pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement for their directors and employees to report their genuine concerns or grievances.

#### **Risk Management Policy:**

Company has developed and implements Risk Management Policy including identification of elements of risk which in the opinion of the Board may threaten to the existence of the company. Company also reviewed & evaluates the implementation process of risk management policy time to time so that future risk can be minimised.

#### **Related Party Transactions:**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted.



**Significant and Material Orders passed by the Regulators or Courts:**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

**Directors Responsibility Statement:**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- (i) That in the preparation of the Annual Accounts for the year ended March 31st, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit / loss of the Company for that period;
- (iii) That the Directors have taken proper and sufficient care 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;
- (iv) The annual accounts have been prepared on a going concern basis;
- (v) That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Corporate Social Responsibility (CSR):**

The company is not covered under the Companies (Corporate Social Responsibility) Rules 2013.

**Internal Control System and Adequacy:**

The Company has a proper and adequate internal control system to ensure that its assets are safeguarded and protected against unauthorized use and disposition and all the transactions are properly recorded and reported. The company also has a system of management reviews to ensure compliance with the prescribed procedures and authority levels.

**Statutory Auditors and Explanation to Auditor's Remarks:**

M/s. V. Sankar Aiyar & Co, Chartered Accountants, who are statutory auditor of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company as required under the provision of section 139 of Companies Act, 2013. The Audit Report does not contain any qualification / adverse remark.

**Cost Audit:**

Audit of Cost Records is not applicable to the Company for year 2017-2018 as per Section 148 and relevant rules issued under the said Section.

**Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has

appointed Shri. Dinesh Kumar Deora a firm of Company Secretaries in Practice (Mem. FCS No. 5683, C.O.P. No. 4119) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure - B and forms an integral part of this Report.

In regards to the qualification mentioned on Secretarial Audit Report, the Company has been in the process of appointing a CFO and Company Secretary as the Company is not getting candidates in view of small size of business operations of the Company.

**Particulars of Employees:**

The Company at present does not have any employee details of which are required to be disclosed pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**Details of Subsidiary, Joint Venture or Associates:**

There is no subsidiary, Joint Venture or Associate Company.

**Disclosures under sexual harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013:**

There are no cases filed under the above Act and hence no comments required on disposal of the cases under the same.

**Statement Pursuant to Listing Agreements:**

The Company's shares are listed with the BSE Ltd. Your Company has paid the annual listing fees up to date.

**Extract of Annual Returns:**

The extract of Annual Return, in format MGT -9, for the Financial Year 2017-18 has been enclosed with this report as per Annexure A.

**Conservation of Energy and Technology Absorption:**

As the Company's own factory has not been in operation, no special energy saving measures is required and hence no report on technology absorption is required.

**Foreign Exchange Earnings and Outgo:**

Earnings	₹. 26,18,828/-
Outgo	₹. Nil

**Corporate Governance:**

The Company is exempted under Regulations 15(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 as regards the compliance of corporate governance and report of the same in Annual Report, since the paid up equity share capital of the Company is not exceeding Rupees Ten Crore and net worth is not exceeding Rupees: Twenty Five Crore.

**Acknowledgements:**

Your Directors wish to place on record their appreciation of the wholehearted co-operation received by the Company from the Shareholders, Employees and its Bankers during the year under review.

**By the order of the Board  
For Emmessar Biotech & Nutrition Limited**

**Place: Mumbai**  
Date: 16.05.2018

**MSR Ayyangar**  
Managing Director

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**FORM No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the Financial Year ended on 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:-	L24110MH1992PLC065942
II	Registration Date	17 <sup>th</sup> March, 1992
III	Name of the Company	EMMESSAR BIOTECH & NUTRITION LTD
IV	Category / Sub-Category of the Company	Public Company Limited by shares
V	Address of the Registered Office and contact details	Plot No. T-3/2, MIDC Area, P.O. Box No. 39, Taloja-410208, Maharashtra
VI	Whether Listed Company(Yes/NO)	YES
VII	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-101, 247 Park LBS Marg, Vikhroli West, Mumbai-400083. Telephone: 022 49186270 / 49186000 Fax: 022 49186060 Email.id: rnt.helpdesk@linkintime.co.in

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be Stated:-

Sr. No.	Name and Description of Main products/Services	NIC Code of the Product/ Service	% to total turnover of the company
1.	Manufacture of Ayurvedic or Unani Pharmaceutical Preparations	21003	35.20%
2	Manufacture of Organic and Inorganic Chemical Compounds	20119	15.76%
3	Rental or leasing services of factories, office buildings, warehouses	99721121	47.61

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares held	Applicable Section

The Company does not have any Subsidiary/Subsidiaries/Holding/Associate Companies within the meaning of Companies Act, 2013.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the end of the year As on (31.03.2018)				No. of Shares held at the beginning of the year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	1107620	0	1107620	22.17	1102567	39	1102606	22.07	0.10
(b) Central Govt									
(c) State Govt (s)									
(d) Bodies Corp.	1802980	200	1803180	36.09	1802980	200	1803180	36.09	0
(e) Banks / FI									
(f) Any Other....									
Sub-total (A) (1):-	2910600	200	2910800	58.26	2905547	239	2905786	58.16	0.10
(2) Foreign									
(a) NRIs-									
Individuals									
(b) Other -									
Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other....									
Sub-total (A) (2):-									
<b>Total shareholding of Promoter (A) =</b>	2910600	200	2910800	58.26	2905547	239	2905786	58.16	0.10
(A)(1)+(A)(2)									
B. Public									
Shareholding									
1. Institutions									
(a) Mutual Funds	0	2600	2600	0.05	0	2600	2600	0.05	0
(b) Banks / FI	0	7200	7200	0.15	0	7200	7200	0.15	0
(c) Central Govt									
(d) State Govt(s)									
(e) Venture Capital Funds									

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(f) Insurance Companies									
(g) FIs									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
<b>Sub-total (B) (1):-</b>	0	9800	9800	0.20	0	9800	9800	0.20	0
<b>2.Non-Institutions</b>									
(a) Bodies Corp.									
(i) Indian	27908	11650	39558	0.79	19088	12250	31338	0.63	0.16
(ii) Overseas									
(b) Individuals									
(i) Individual Shareholders holding nominal share capital up to ₹ 2 lakh	1033782	731690	1765472	35.34	1038025	737410	1775435	35.54	-0.20
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	202541	0	202541	4.05	217059	0	217059	4.34	-0.29
(c) Others (specify)	67229	700	67929	1.36	55982	700	56682	1.13	0.23
<b>Sub-total (B)(2):-</b>	1331460	744040	2075500	41.54	1330154	750360	2080514	41.64	-0.10
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1331460</b>	<b>753840</b>	<b>2085300</b>	<b>41.74</b>	<b>1330154</b>	<b>760160</b>	<b>2090314</b>	<b>41.84</b>	<b>-0.10</b>
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	<b>4242060</b>	<b>754040</b>	<b>4996100</b>	<b>100</b>	<b>4235701</b>	<b>760399</b>	<b>4996100</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

S.I No.	Shareholder's Name	Shareholding at the end of the year (As on 31.03.2018)			Shareholding at the beginning of the year (As on 31.03.2017)			% 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.	Shri M S Raghavan	266592	5.34	0	266592	5.34	0.00	0.00
2.	Emmessar Technologies Ltd	1014980	20.32	0	1014980	20.32	0.00	0.00
3.	Smt. Rajalakshmi Raghavan	170413	3.41	0	170413	3.41	0.00	0.00
4.	Shri Vasudevan Raghavan	3500	0.07	0	3500	0.07	0.00	0.00
5.	Smt. Sarada Raghavan	26228	0.52	0	26228	0.52	0.00	0.00
6.	Shri Vijay Agarwal	79477	1.59	0	74392	1.49	0.00	0.10
7.	Shri. Arvind M Shah	66300	1.33	0	66300	1.33	0.00	0.00
8.	Shri Manoj M Shah	6600	0.13	0	6600	0.13	0.00	0.00
9.	Amu Investment & Finance Pvt Ltd	260000	5.20	0	260000	5.20	0.00	0.00
10.	Amu Shares & Securities Ltd	200	0.00	0	200	0.00	0.00	0.00
11.	Manar Leasing & Investment Pvt Ltd	528000	10.57	0	528000	10.57	0.00	0.00
12.	Smt. Prabha Agarwal	14500	0.29	0	14500	0.29	0.00	0.00
13.	Smt. Heena M Shah	268000	5.36	0	268000	5.36	0.00	0.00
14.	Shri Arvind M Shah (HUF)	55200	1.10	0	55200	1.10	0.00	0.00
15.	Shri Manoj M Shah (HUF)	9800	0.20	0	9800	0.20	0.00	0.00
16.	Shri Bhavik Arvind Shah	45500	0.91	0	45500	0.91	0.00	0.00
17.	Aman Manoj Shah	16384	0.33	0	16384	0.33	0.00	0.00
18.	A V Vardharajan	7500	0.15	0	7500	0.15	0.00	0.00
19.	Appji Venkata Krishna Mohan Turaga	5000	0.10	0	5000	0.10	0.00	0.00
20.	Vijay Kumar Makaria	5000	0.10	0	5000	0.10	0.00	0.00
21.	Vijaya Sarangan	2513	0.05	0	2513	0.05	0.00	0.00
22.	Jyoti Sarangan	2513	0.05	0	2513	0.05	0.00	0.00
23.	Jyoti S Malla	38100	0.76	0	38100	0.76	0.00	0.00
24.	Satyanarayana Malla	18500	0.38	0	18500	0.38	0.00	0.00
25.	M Anuradha Murty	0	0	0	71	0	0	0
	<b>Total</b>	<b>2910800</b>	<b>58.26</b>	<b>0</b>	<b>2905786</b>	<b>58.16</b>	<b>0.00</b>	<b>0.10</b>

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Vijay Agarwal	74392	1.49	74392	1.49
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	5085	0.10	5085	0.10
	At the End of the year			79477	1.59

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
01	Kailashben Patel	36784	0.74	26700	0.53
02	Mridula Malhotra	35100	0.70	29980	0.60
03	Mahendra Kumar Jain	33849	0.68	0	0.00
04	Mark Tony Alphonso	32176	0.64	13173	0.26
05	Maya Pradeep Nair	30900	0.62	35000	0.70
06	Akash Bajaj	25000	0.50	25000	0.50
07	Nooka Swarna Kumari	23250	0.47	11039	0.22
08	Manilal Ramji Faria	19500	0.39	14912	0.30
09	Vandana Bhat	18438	0.37	21303	0.43
10	Sandeep Rao	18172	0.36	18172	0.36
11	Gupta Bhavna	0	0.00	25638	0.51
12	Sonia	0	0.00	17241	0.35
13	Naresh Arjunlal Patel	15460	0.31	15460	0.31



**(v) Shareholding of Directors and Key Managerial Personnel: \*\***

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri M S Raghavan				
	At the beginning of the year	266592	5.34	266592	5.34
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	0	0.00	0	0.00
	At the End of the year	266592	5.34	266592	5.34
2	Manoj M Shah				
	At the beginning of the year	6600	0.13	6600	0.13
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	0	0.00	0	0.00
	At the End of the year	6600	0.13	6600	0.13
3	Arvind M Shah				
	At the beginning of the year	66300	1.33	66300	1.33
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	0	0.00	0	0.00
	At the End of the year	66300	1.33	66300	1.33
4	Vijay Agarwal				
	At the beginning of the year	74392	1.49	74392	1.49
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	5085	0.10	5085	0.10
	At the End of the year	79477	1.59	79477	1.59
5	Sarada Raghavan				
	At the beginning of the year	26228	0.52	26228	0.52
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	0	0.00	0.00	0.00
	At the End of the year	26228	0.52	26228	0.52

**Note:** Shri Ashok M. Kadakia, Director and Shri Ajay Ishwarlal Bora, Director and Smt. Anuradha S Raghavan, Director as Directors does not hold any equity shares at the beginning of the year and/or at the end of the year.

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### V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
· Addition	-	-	-	-
· Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

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

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

Sl. No.	Particulars of Remuneration	Total Amount	
		Shri MSR Ayyangar	
1.	Gross salary		
	(a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961	671600	621600
	(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	-	-

2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify		
	<b>Total (A)</b>	671600	621600
	Ceiling as per the Act		

**B. Remuneration to other directors: NIL**

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	3. Independent Directors · Fee for attending Board committee meetings · Commission · Others, please specify					
	<b>Total (1)</b>					
	4. Other Non-Executive Directors · Fee for attending Board committee meetings · Commission · Others, please specify					
	<b>Total (2)</b>					
	<b>Total (B)=(1+2)</b>					
	<b>Total Managerial Remuneration</b>					
	<b>Overall Ceiling as per the Act</b>					

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### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: NIL

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total				

### III. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
<b>B. DIRECTORS</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---

## Management Discussions and Analysis

Having created the digital platform for global marketing of our products along with payment gateway through PayPal, the company is now exploring promotional strategies for increasing top line. We will be exploring both B to B & B to C for global sales.

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 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 of Emmessar Biotech & Nutrition Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Emmessar Biotech & Nutrition 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 Emmessar Biotech & Nutrition Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 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 the Company for the financial year ended on March 31, 2018 according to the provisions 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. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings were not applicable to the Company during the financial year under report;

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, 1992;
6. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-
- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
  - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines, 1999;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company:

- i. Food Safety And Standard Act, 2006.
- ii. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954.
- iii. Drugs and Cosmetics Act, 1940.
- iv. Narcotic Drugs and Psychotropic Substances Act, 1985.

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- v. The Patents Act, 1970.
- vi. The Trademarks Act, 1999.

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

- 1 Secretarial Standards issued by The Institute of Company Secretaries of India.
- 2 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules,

Regulations, Guidelines, Standards etc. mentioned above except the following.

***The Company has failed to appoint Chief Financial Officer and Company Secretary, Key Managerial Personnel(s) within the definition of Section 2(51) of the Companies Act, 2013, thus violating Section 203 of the Companies Act, 2013 which requires the Company to have Chief Financial Officer and Company Secretary as Whole Time Key Managerial Personnel.***

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

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

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

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

**DINESH KUMAR DEORA**  
PRACTISING COMPANY SECRETARY  
FCS NO 5683  
C P NO 4119

Place: Mumbai  
Date: 16-05-2018

**Note: This report is to be read with our letter of even date that is annexed as Annexure - I and forms an integral part of this report.**

## ANNEXURE - I

To,

The Members of Emmessar Biotech & Nutrition Limited

Our report 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 our 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 our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever 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 future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**DINESH KUMAR DEORA**  
PRACTISING COMPANY SECRETARY  
FCS NO 5683  
C P NO 4119

Place: Mumbai  
Date: 16-05-2018



## INDEPENDENT AUDITOR'S REPORT

To the Members  
Emmessar Biotech & Nutrition Limited  
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Emmessar Biotech & Nutrition Limited ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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 there under.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 Standalone Financial Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31<sup>st</sup> March, 2018, and its profit and its cash flows for the year ended on that date.

### **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 Annexure 1, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

Further to our comments in Annexure 1, as required by Section 143(3) of the Act, we report that:

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.

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

The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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 2', and

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

The Company does not have any pending litigation which would impact its financial position.

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 V. Sankar Aiyar & Co**  
Chartered Accountants  
Firm Reg No: 109208W  
**V Mohan**

Place: Mumbai  
Date: 16<sup>th</sup> May 2018

Partner  
**Membership No. 17748**

### **ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMESSAR BIOTECH & NUTRITION LIMITED ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and in our opinion, we report that:

- I a. The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a policy of physically verifying its fixed assets in a phased manner to cover all the assets of the Company in a block of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its business.
- c. The title deeds of the immovable properties are held in the name of the company.
- II a. The inventory has been physically verified by the Management at reasonable intervals during the year.
- b. The procedures of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business. No material discrepancies were noticed on such physical verification.
- c. The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- III The Company has not granted any loans secured or unsecured during the period to the parties covered in the Register maintained under section 189 of the Companies Act, 2013.
- IV The Company has not granted any loans, investments, or any guarantees or securities accordingly provision of Section 185 and 186 does not apply.
- V The Company has not accepted any deposits from public. Accordingly, this clause is not applicable.
- VI The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act.
- VII a. The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities during the year. No undisputed amount in respect of the aforesaid statutory dues were in arrears, as at 31<sup>st</sup> March 2018, for a period of more than six months from the date they become payable.

- b. There are no dues of Income Tax, Sales tax, Goods and Service Tax, Customs duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of a dispute.
- VIII The Company has not defaulted in repayment of dues to any financial institutions or banks.
- IX The Company did not raise any money by way of initial public offer (including debts instruments) or further public offer and terms loans during the year. Accordingly, this clause is not applicable.
- X No material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- XI The company has paid / provided for managerial remuneration in accordance with the requisite approvals as mandated by the provisions of section 197 read with Schedule V of the Act.
- XII The Company is not a Nidhi Company. Accordingly, this clause is not applicable.
- XIII All Transaction with related parties are in compliance with Section 177 and section 188 of the Companies Act, 2013 where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting standards.
- XIV The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, this clause is not applicable.
- XV The Company has not entered into any non – cash transactions with directors or persons connected with them.
- XVI The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For V. Sankar Aiyar & Co**  
*Chartered Accountants*  
Firm Reg. No: 109208W  
**V Mohan**

Place: Mumbai  
Date: May 16<sup>th</sup>, 2018

*Partner*  
**Membership No. 17748**

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMESSAR BIOTECH & NUTRITION LIMITED ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

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

We have audited the internal financial controls over financial reporting of Emmessar Biotech & Nutrition Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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

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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 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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, 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 V. Sankar Aiyar & Co**  
*Chartered Accountants*  
Firm Reg. No: 109208W  
**V Mohan**

Place: Mumbai  
Date: May 16<sup>th</sup>, 2018

*Partner*  
**Membership No. 17748**

**Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015  
TO THE BOARD OF DIRECTORS OF EMESSAR BIOTECH & NUTRITION LIMITED**

We have audited the accompanying Statement of Standalone Financial Results of Emmessar Biotech & Nutrition Limited ("the Company") for the year ended 31st March 2018 ("The Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related standalone financial statements which has been prepared in accordance with the Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, the Statement;

is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as modified by Circular No CIR/CFD/FAC//62/2016 dated July 5, 2016 and

gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the total comprehensive income (comprising of net profit and other comprehensive income) and other financial information of the Company for the year ended 31<sup>st</sup> March 2018.

The Statement includes the results for the Quarter ended 31<sup>st</sup> March 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year which were subject to limited review by us.

**For V. Sankar Aiyar & Co**  
*Chartered Accountants*  
Firm Reg. No: 109208W  
**V Mohan**

Place: Mumbai  
Date: May 16<sup>th</sup>, 2018

*Partner*  
**Membership No. 17748**

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### BALANCE SHEET AS AT 31ST MARCH 2018

Particulars	Note No.	(Value in ₹)		
		As at 31.3.2018	As at 31.3.2017	As at 1 April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant & Equipment	2.01	16,007,101	539,368	504,949
Capital Work-in-progress		-	8,034,558	-
Investment Property	2.02	6,536,748	6,706,280	6,795,889
<b>Financial Assets</b>				
Loans	2.03	176,488	127,657	163,647
Deferred tax assets (net)	2.04	4,574,325	1,129,190	1,135,006
Other non-current assets	2.06	1,044,006	1,754,290	1,109,146
		<u>28,338,668</u>	<u>18,291,343</u>	<u>9,708,637</u>
<b>Current assets</b>				
Inventories	2.07	869,442	3,182,151	3,581,404
<b>Financial Assets</b>				
Investments	2.08	65,692	62,947	60,115
Trade receivables	2.09	334,296	409,384	3,648,295
Cash and cash equivalents	2.10	408,668	143,845	31,282
Bank balances other than Cash & Cash Equivalents	2.11	2,279,837	3,050,574	4,236,145
Loans	2.12	35,000	30,759	35,000
Income Tax Assets ( Net )	2.05	594,460	1,062,291	475,520
Other current assets	2.13	6,219,923	5,956,058	962,132
		<u>10,807,318</u>	<u>13,898,009</u>	<u>13,029,893</u>
<b>TOTAL ASSETS</b>		<u>39,145,986</u>	<u>32,189,352</u>	<u>22,738,530</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Equity Share capital	2.14	49,961,000	49,961,000	49,961,000
Other Equity	2.15	(20,112,771)	(29,066,094)	(40,869,962)
		<u>29,848,229</u>	<u>20,894,906</u>	<u>9,091,038</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Other financial liabilities	2.16	6,142,308	6,142,308	6,142,308
Provisions	2.17	1,223,095	513,735	507,318
Other non current liabilities				
		<u>7,365,403</u>	<u>6,656,043</u>	<u>6,649,626</u>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	2.18	-	17,558	51,558
Trade Payable	2.19	73,276	2,046,955	2,007,227
Other financial liabilities	2.20	1,225,748	1,365,219	569,442
Other current liabilities	2.21	72,952	350,872	3,780,464
Provisions	2.22	560,378	857,799	589,175
		<u>1,932,354</u>	<u>4,638,403</u>	<u>6,997,866</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>39,145,986</u>	<u>32,189,352</u>	<u>22,738,530</u>

Significant Accounting Policies & Notes on Accounts 1&2

As Per Our Report of Even Date attached

For V. Sankar Aiyar & Co  
Chartered Accountants  
Firm Regn No. 109208W

V. Mohan  
Partner  
M.No. 17748

Place : Mumbai  
Date : 16<sup>th</sup> May 2018

Ashok M. Kadakia  
Chairman

Vijay K. Agrawal  
Director

For and on behalf of the Board

MSR Ayyangar  
Managing Director

Manoj M. Shah  
Director

Arvind M. Shah  
Director

Ajay Bora  
Director



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018**

(Value in ₹)

Particulars	Note No.	For the year ended ended 31.3.2018	For the year ended ended 31.3.2017
<b>INCOME</b>			
Revenue From Operations	2.23	13,150,167	27,022,048
Other income	2.24	12,654,727	9,752,700
<b>TOTAL REVENUE</b>		<b><u>25,804,894</u></b>	<b><u>36,774,748</u></b>
<b>EXPENSES</b>			
Cost of Materials Consumed	2.25	4,062,705	7,781,003
Purchase of Stock in Trade	2.26	1,028,251	1,874,483
Change in Inventories of Finished Goods, Work in Progress, Stock in Trade,	2.27	1,169,195	(71,515)
Excise Duty		620,470	691,902
Employee Benefit Expenses	2.28	4,076,082	3,778,016
Depreciation and amortisation expense	2.01	505,968	115,481
Other expenses	2.29	6,383,119	10,677,644
<b>TOTAL EXPENSES</b>		<b><u>17,845,791</u></b>	<b><u>24,847,014</u></b>
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b><u>7,959,103</u></b>	<b><u>11,927,734</u></b>
<b>Tax expense:</b>			
Provision for Current tax (MAT)		-2,200,000	-
(Includes previous year tax provision of Rs. 7,00,000/- )			
Provision for Deferred tax Asset / ( Liability )		3,375,331	-42,293
<b>PROFIT / (LOSS) AFTER TAX</b>		<b><u>9,134,434</u></b>	<b><u>11,885,441</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>A. (i) Items that will not be reclassified to profit or loss</b>	2.30	250,917	118,050
(ii) Tax on items that will not be reclassified to profit or loss		-69,805	-36,477
<b>B. (i) Items that will be reclassified to profit or loss</b>		-	-
(ii) Tax on items that will be reclassified to profit or loss		-	-
<b>OTHER COMPREHENSIVE INCOME</b>		<b><u>181,112</u></b>	<b><u>81,573</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>8,953,322</u></b>	<b><u>11,803,868</u></b>
<b>EARNING PER SHARE</b>			
<b>(Equity Shares of Par Value Rs 10/- each fully paid-up)</b>			
Basic		1.79	2.36
Dilute		1.79	2.36

Significant Accounting Policies & Notes on Accounts 1&2

As Per Our Report of Even Date attached

For V. Sankar Aiyar & Co  
Chartered Accountants  
Firm Regn No. 109208W

Ashok M. Kadakia  
Chairman

For and on behalf of the Board

MSR Ayyangar  
Managing Director

Arvind M. Shah  
Director

V. Mohan  
Partner  
M.No. 17748

Vijay K. Agrawal  
Director

Manoj M. Shah  
Director

Ajay Bora  
Director

Place : Mumbai  
Date : 16<sup>th</sup> May 2018

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### CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

	2017-2018 (in ₹)	2016-2017 (in ₹)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary Items	7,959,103	11,927,734
<b>Add :-</b> Loss on demolition of Building	-	4,809
Depreciation	505,968	115,481
Interest / Dividend Income	105,588	504,830
Other comprehensive income	(250,917)	(118,050)
<b>Operating Profit / (Loss) before working Capital changes</b>	<b>8,319,743</b>	<b>12,434,804</b>
<b>Adjustment for (Increase) / Decrease in operating Assets</b>		
Inventories	2,312,709	399,253
Trade Receivables	75,088	3,238,911
Non current loans and Income Tax Assets	1,129,284	(1,195,925)
Current Assets - Loans and other assets	(268,106)	(4,989,684)
<b>Adjustment for Increase / (Decrease) in operating Liabilities</b>		
Non current provisions	(990,639)	406,416
Trade Payables	(1,973,678)	39,728
Borrowings and Other Financial Liabilities	(157,029)	761,777
Other Current Liabilities	(277,920)	(3,429,592)
Current Provisions	(297,421)	268,622
<b>Cash generated before tax payment</b>	<b>7,872,031</b>	<b>7,934,310</b>
Less: Income tax paid	500,000	400,000
<b>Cash generated from operations</b>	<b>7,372,031</b>	<b>7,534,310</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(7,769,612)	(65,100)
Payment for Capital Work-in-progress	-	(8,034,558)
Investments in Mutual Funds	(2,745)	(2,832)
Interest / Dividend Received	(105,588)	(504,830)
Investments in Fixed Deposits (maturing within 12 months)	770,737	1,185,570
<b>Net Cash inflow/(out flow) in Investing activities</b>	<b>(7,107,208)</b>	<b>(7,421,750)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Cash used in financing activities		
Net increase in cash and cash equivalents	264,823	112,560
Cash and cash equivalents as at the beginning of the year	143,845	31,285
<b>Cash and cash equivalents as at the end of the year</b>	<b>408,668</b>	<b>143,845</b>

As Per Our Report of Even Date attached

**For V. Sankar Aiyar & Co**  
Chartered Accountants  
Firm Regn No. 109208W

**Ashok M. Kadakia**  
Chairman

For and on behalf of the Board

**MSR Ayyangar**  
Managing Director

**Arvind M. Shah**  
Director

**V. Mohan**  
Partner  
M.No. 17748

**Vijay K. Agrawal**  
Director

**Manoj M. Shah**  
Director

**Ajay Bora**  
Director

Place : Mumbai  
Date : 16<sup>th</sup> May 2018

**NOTE FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

**1) Significant Accounting Policies followed by the Company are as follows:-**

**i) Basis of Preparation of Financial Statements:**

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (Act) read with Rule 4A of Companies (Accounts) Second Amendment Rules, 2015, Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder. The Financial Statements have been prepared under historical cost convention basis except for derivative financial instruments, certain financial assets and financial liabilities which have been measured at fair value.

For all the periods upto 31<sup>st</sup> March 2017, the financial statements were prepared under historical cost convention in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31 March 2018 are the first the Company has prepared in accordance with Ind AS. Refer to note-2.45 for information on how the Company adopted Ind AS.

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 16<sup>th</sup> May 2018.

**ii) Use of Judgement, Assumptions and Estimates :**

The preparation of the Company's financial statements requires management to make informed judgements, reasonable assumptions and estimates that affect the amounts reported in the financial statements and notes thereto. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected.

In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements relate to the following areas:

- Financial instruments;
- Useful lives of property, plant & equipment;
- Valuation of inventories;
- Measurement of recoverable amounts of assets / cash-generating units;
- Assets and obligations relating to employee benefits;
- Evaluation of recoverability of deferred tax assets; and
- Provisions and Contingencies.

**iii) Property, plant & equipment**

- a) The cost of an item of property, plant and equipment is recognized as an asset only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.
- b) Property, plant and equipment are stated at cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment loss, if any.
- c) The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation (if any) and the applicable borrowing cost till the asset is ready for its intended use.
- d) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- e) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds if any and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.
- f) Spare parts which meet the definition of property plant and equipment are capitalized as property, plant and equipment. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit & Loss on issue/consumption.

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- g) When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly. All other repair and maintenance cost are recognised in the Statement of Profit and Loss as and when incurred.
- h) Direct expenses incurred during construction period on capital projects are capitalised.

### iv) Depreciation

Depreciation on property, plant and equipment is provided on the straight line basis, over the useful lives of assets (after retaining the residual value of up to 5%). The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the period in which the estimates are revised and in any future periods affected.

The Company depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately.

The spare parts are depreciated over the estimated useful life based on internal technical assessment.

### v) Accounting for Leases

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease and whether it is a finance lease or an operating lease. If substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the Company as lessee the arrangement is treated as a finance lease otherwise it is considered as an operating lease. The Company has an operating lease (as a lessor) recognises the lease rentals as income in the statement of Profit & Loss on a straight line basis with reference to lease terms and other considerations.

### vi) Investment Property

Industrial land taken on lease from Maharashtra Industrial Development Corporation (MIDC) is not permitted to be alienated in any manner whatsoever, by the lessee. The lessor has given the land on sub lease to a third party and the same is treated Investment – Property and as operating lease.

Investment property is amortised on straight line basis over the period of 95 years.

Investment properties are derecognised when either they have been surrendered to the lessor or when the investment property is permanently withdrawn from use and no future economic benefit is expected.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

### vii) Inventories:

Raw material, Finished goods and Stock-in-Trade are valued at lower of costs or net realizable value. Cost of inventories comprises all cost of purchase, conversions and other costs incurred in bringing the inventories to their present location and condition. Finished goods are valued at exclusive of GST payable thereon. Provisions for obsolescence / expired goods are made, wherever necessary. Cost is determined by using FIFO method.

### viii) Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

### ix) Revenue Recognition:

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Service revenue is recognized as per terms of contract. Sales include amount recovered towards Excise Duty but exclude, Goods and Services Tax, Central Sales Tax, Value Added Tax & Courier Charges and in case of Export Sales exclude amounts recovered towards insurance and freight.

### x) Impairment of Assets:

The Company assesses at each Balance Sheet date where there is any indication that any assets may be impaired and if such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and a provision is made for such impairment loss in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### xi) Foreign Currency Transactions and Translations

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction.

Translation of all foreign currency denominated monetary Assets & Liabilities as at the balance sheet dates are translated at year end exchange rates. Exchange difference arising on restatement or settlement is charged to the Statement of Profit and Loss.

**xii) Investments:**

Long Term Investments are stated at cost of acquisition and related expenses. Provision is made to recognize a diminution, other than temporary, in the value of investments. Current Investments are carried individually at lower of cost and fair value.

**xiii) Employee Benefit:**

**A. Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, and performance incentive paid annual leave, bonus, leave travel assistance, medical allowance, contribution to provident fund etc. recognized as actual amounts due in period in which the employee renders the related services.

**B. Post –employment benefits**

**a) Defined Contribution plan**

Payment made to defined contribution plans such as Provident fund is charged as expenses as they fall due.

**b) Defined Benefit Plan**

The cost of providing benefits i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. Actuarial gain and losses are recognized immediately in the Statement of Profit & Loss.

**xiv) Segment Reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/ loss amounts are evaluated regularly by the management.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified

to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue/ expenses/ assets / liabilities”.

**xv) Taxation:**

Income Tax expense comprises current tax (i.e. Amount of Income tax for the period determined in accordance with the Income Tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of the assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonable / virtual certain (as the case may be) to be realized.

**xvi) Earnings per share:**

Basic earnings per share are computed by dividing the net profit or loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**xvii) Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognized only when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in the respect of which a reliable estimate can be made based on technical evaluation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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### xviii) Fair Value measurement

- a) The Company measures financial instruments i.e. derivative contracts at fair value at each balance sheet date.
- b) Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.
- c) While measuring the fair value of an asset or liability, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value using observable market data as far as possible and minimising the use of unobservable inputs. Fair values are categorised into 3 levels as follows:
  - Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
  - Level 2: inputs other than quoted prices that are observable for the assets or liability, either directly (i.e. as prices for similar item) or indirectly (i.e. derived from prices)
  - Level 3: inputs that are not based on observable market data (unobservable inputs)

### xix) Financial Instruments

#### i. Financial Assets other than derivatives

All financial assets are recognised initially at fair values including transaction costs that are attributable to the acquisition of the financial asset.

A financial asset is measured (subsequent measurement) at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost is net of any write down for impairment loss (if any) using the effective interest rate (EIR) method taking into account

any discount or premium and fees or costs that are an integral part of the EIR.

A financial asset is derecognised either partly or fully to the extent the rights to receive cash flows from the asset have expired and / or the control on the asset has been transferred to a third party. On de-recognition, any gains or losses are recognised in the Statement of Profit & Loss.

#### ii. Financial Liabilities other than derivatives

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

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method ("EIR"). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

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

#### iii. Offsetting of financial instruments

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

#### xx) Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current if they are expected to be realised / settled within twelve months after the reporting period. All other assets and liabilities are considered as non-current.

**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018**

**2.00 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**2.01 Property, Plant & Equipment**

A. Tangible Assets	GROSS BLOCK (COST)				DEPRECIATION				NETBLOCK		
	"Balance as at 1 April, 2017"	Additions	Disposals	As at 31.3.2018	Balance as at 1.4.2017	For the year	Deductions/ adjustments	Up to 31.3.2018	As at 31.3.2018	As at 31.3.2017	As at 01.04.2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Factory Buildings	1,820,369	13,581,951	-	15,402,320	1,639,788	215,048	-	1,854,836	13,547,484	180,581	185,390
(b) Residential Buildings	332,500	-	-	332,500	158,771	5,237	-	164,008	168,492	173,729	178,796
(c) Plant and Equipments	52,434	834,600	-	887,034	22,888	30,323	-	53,211	833,823	29,546	20,598
(d) Furniture and Fixtures	704,160	1,365,652	-	2,069,812	616,946	74,592	-	691,538	1,378,274	87,214	95,857
(e) Office equipment	1,251,438	21,967	-	1,273,405	1,183,141	11,237	-	1,194,378	79,027	68,297	24,307
<b>Total</b>	<b>4,160,901</b>	<b>15,804,170</b>	<b>-</b>	<b>19,965,071</b>	<b>3,621,534</b>	<b>336,436</b>	<b>-</b>	<b>3,957,970</b>	<b>16,007,101</b>	<b>539,367</b>	<b>504,948</b>
Previous year	13,063,288	65,100	96,187	13,032,201	5,762,450	115,481	91,378	5,786,553	7,245,648	7,300,838	745,096

Registration is pending for 2 residential flats included in buildings.

Particulars	AS AT 31-03-2018	AS AT 31-03-2017	AS AT 01-04-2016
<b>2.02 INVESTMENT PROPERTY</b>			
<b>Investment in Property</b>			
<b>Cost:</b>			
Opening Balance	8,871,300	8,871,300	8,871,300
Additions During the Year	-	-	-
Disposals / Transfers During the Year	-	-	-
<b>Gross Investment</b>	<u>8,871,300</u>	<u>8,871,300</u>	<u>8,871,300</u>
	<u>8,871,300</u>	<u>8,871,300</u>	<u>8,871,300</u>
Depreciation on Investment Property			
Opening Balance	2,165,020	2,075,411	1,985,802
Additions During the Year	169,532.00	89,609.00	89,609.00
Disposals / Transfers During the Year	0	0	0
Closing Balance	<u>2,334,552</u>	<u>2,165,020</u>	<u>2,075,411.00</u>
<b>Net Investment</b>	<u>6,536,748</u>	<u>6,706,280</u>	<u>6,795,889</u>
<b>Fair Value</b>	<u>161,260,000</u>	<u>161,260,000</u>	<u>161,260,000</u>

The Company's Investment Property Consist Of Industrial Land In Taloja And Fair Valuation Is Based On Current Value Adopted By Lessor ( MIDC ).

**2.03 LOANS**

**Unsecured, Considered good**

Security Deposits	151,160	65,560	42,510
<b>Other Loans &amp; Advances</b>	<u>25,328</u>	<u>62,097</u>	<u>121,137</u>
	<u>176,488</u>	<u>127,657</u>	<u>163,647</u>



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### NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

#### 2.04 DEFERRED TAX ASSET

##### Assets

Depreciation	410,940	705,386	796,190
Unabsorbed Depreciation in Income Tax	3,667,223	-	-
Employee benefit (Gratuity)	496,162	423,804	338,816
<b>Total</b>	<b>4,574,325</b>	<b>1,129,190</b>	<b>1,135,006</b>

Deferred tax asset on unabsorbed depreciation as per the Income Tax Act, 1961 has been recognised, since it is probable that taxable profit will be available to adjust them in the future years. Unabsorbed depreciation which forms major portion of the Deferred Tax Asset can be carried forward and set off against the profits for unlimited number of years under the Indian Income Tax Act, 1961 and profitability projections based on current margins show sufficient profits for set-off in future.

#### 2.05 INCOME TAX ASSETS (NET)

Tax Deducted at Source	1,894,460	662,291	475,520
Advance Tax paid	900,000	400,000	-
Less: Provision for Income Tax (MAT)	(2,200,000)	-	-
<b>Total</b>	<b>594,460</b>	<b>1,062,291</b>	<b>475,520</b>

#### 2.06 OTHER NON CURRENT ASSETS

Statutory receivable			
Vat Credit receivables	1,044,006	1,754,290	1,109,146
<b>Total</b>	<b>1,044,006</b>	<b>1,754,290</b>	<b>1,109,146</b>

#### 2.07 INVENTORIES

( At Lower of Cost or Net Realisable Value)

Raw Materials	358,467	1,501,981	1,972,749
Finished Goods	510,975	1,680,170	1,608,655
<b>Total</b>	<b>869,442</b>	<b>3,182,151</b>	<b>3,581,404</b>

#### 2.08 CURRENT INVESTMENTS

Unquoted ( Carried at Fair value through Profit & Loss) In Mutual Fund

37.58 Units (P.Y. 35.889) Dividend option SBI Magnum Insta Cash Fund (Market Value Rs. 65692, PY Rs. 62947, 1st April 2016 Rs. 60115)	65,692	62,947	60,115
<b>Total</b>	<b>65,692</b>	<b>62,947</b>	<b>60,115</b>
Net Asset Value	65,692	62,947	60,115

#### 2.09 TRADE RECEIVABLES

##### Unsecured, Considered Good

Debts outstanding for a period Exceeding Six Months	-	168,354	167,330
Other Debts	334,296	241,030	3,480,965
<b>Total</b>	<b>334,296</b>	<b>409,384</b>	<b>3,648,295</b>



<b>Particulars</b>	<b>AS AT 31-03-2018</b>	<b>AS AT 31-03-2017</b>	<b>AS AT 01-04-2016</b>
<b>2.10 CASH AND CASH EQUIVALENTS</b>			
Cash and Cash Equivalents			
In Current Account	<b>408,640</b>	42,887	25,920
Cash on Hand	<b>28</b>	100,958	5,362
<b>Total</b>	<b><u>408,668</u></b>	<b><u>143,845</u></b>	<b><u>31,282</u></b>
<b>2.11 BANK BALANCE OTHER THAN CASH &amp; CASH EQUIVALENTS</b>			
<b>Bank Balance other than cash &amp; cash equivalents</b>			
In Fixed Deposit Account (maturing within 12 months)	<b>2,279,837</b>	3,050,574	4,236,145
<b>Total</b>	<b><u>2,279,837</u></b>	<b><u>3,050,574</u></b>	<b><u>4,236,145</u></b>
<b>2.12 LOANS</b>			
Loans & Advance to Employees			
Advance to Staff	<b>35,000</b>	30,759	35,000
<b>Total</b>	<b><u>35,000</u></b>	<b><u>30,759</u></b>	<b><u>35,000</u></b>
<b>2.13 OTHER CURRENT ASSETS</b>			
Balances with Government Authorities			
Cenvat Credit receivables	-	470,593	323,204
Service Tax receivables	-	16,528	-
Others			
Prepaid Expenses	<b>116,506</b>	92,598	51,180
Advance to Suppliers	<b>6,103,417</b>	5,376,339	587,748
<b>Total</b>	<b><u>6,219,923</u></b>	<b><u>5,956,058</u></b>	<b><u>962,132</u></b>
<b>2.14 SHARE CAPITAL</b>			
Authorised :			
Equity shares of Rs 10/- Par Value			
54,00,000( P.Y. 54,00,000) Equity Shares	<b>54,000,000</b>	54,000,000	54,000,000
	<b>54,000,000</b>	<b>54,000,000</b>	<b>54,000,000</b>
Issued, Subscribed and Paid up :			
Equity shares of Rs 10/- Par Value			
49,96,100 (P.Y. 49,96,100) Equity Shares fully paid up	<b>49,961,000</b>	49,961,000	49,961,000
* includes 498000 Equity Shares of Rs. 10/- each allotted as Bonus shares by capitalising Revaluation Reserve in the year 1994			
	<b><u>49,961,000</u></b>	<b><u>49,961,000</u></b>	<b><u>49,961,000</u></b>
a) The Company has only one class of shares referred to as Equity Shares having a par value of Rs 10/- each. Each holder of Equity Share is entitled to one vote per share.			
b) The Company has not declared any Dividend.			
c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders			

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### NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

#### d) List of Shareholders holding more than 5% of the Total Number of Shares issued by the Company

Name of the Shareholder	As At 31st March 2018		As At 31st March 2017		As At 1st April 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
M.S.Raghavan	266592	5.34	266592	5.34	266553	5.34
Emmessar Technologies Ltd	1014980	20.32	1014980	20.32	1014980	20.32
Manar Leasing & Investment Pvt Ltd	528000	10.57	528000	10.57	528000	10.57
Amu Investment & Finance Pvt Ltd	260000	5.20	260000	5.20	260000	5.20
Heena M Shah	268000	5.36	268000	5.36	268000	5.36

#### e) Share Reconciliation

The reconciliation of the number of shares outstanding and the amount of Share Capital as at March 31, 2018 and March 31, 2017 is set out below:

Particular	As At 31 <sup>st</sup> March 2018	As At 31 <sup>st</sup> March 2017	As At 1 <sup>st</sup> April 2016
	No. of Shares	No. of Shares	No. of Shares
Balance at the beginning of the year	4996100	4996100	4996100
Changes in equity capital during the year	-	-	-
Balance at the end of the Year	4996100	4996100	4996100
<b>2.15 OTHER EQUITY</b>			
Retained Earnings			
As Per Last Account	-28,984,521.06	(40,869,962)	(40,869,962)
Add: Opening Balance Adjustment due to Ind AS	-	-	-
Profit For the Year	9,134,434.34	11,885,441	-
Closing Balance	(19,850,087)	(28,984,521)	(40,869,962)
Other Comprehensive Income			
As Per Last Account	-81,572.55	-	-
Additions During the Year	-181,111.89	(81,573)	-
Closing Balance	(262,684)	(81,573)	-
<b>Total</b>	<b>(20,112,771)</b>	<b>(29,066,094)</b>	<b>(40,869,962)</b>
<b>2.16 OTHER FINANCIAL LIABILITIES</b>			
Security Deposit (Factory land)	6,142,308	6,142,308	6,142,308
<b>Total</b>	<b>6,142,308</b>	<b>6,142,308</b>	<b>6,142,308</b>
<b>2.17 NON CURRENT PROVISIONS</b>			
<b>Provision for Employee Benefits</b>			
Gratuity (Refer Note 2.33)	1,223,095	513,735	507,318
<b>Total</b>	<b>1,223,095</b>	<b>513,735</b>	<b>507,318</b>
<b>2.18 BORROWINGS</b>			
Bank Overdraft	-	17,558	51,558
<b>Total</b>	<b>-</b>	<b>17,558</b>	<b>51,558</b>

Particular	As At 31 <sup>st</sup> March 2018	As At 31 <sup>st</sup> March 2017	As At 1 <sup>st</sup> April 2016
<b>2.19 TRADE PAYABLES</b>			
Micro, Small & Medium Enterprises	-	-	-
Other Trade Payables	73,276	2,046,955	2,007,227
<b>Total</b>	<u>73,276</u>	<u>2,046,955</u>	<u>2,007,227</u>
There is no amount due to Micro, Small Enterprises and Medium Enterprises Development Act, 2006.			
<b>2.20 OTHER FINANCIAL LIABILITIES</b>			
Accrued Payroll	367,174	274,311	264,082
Accrued Expenses	858,574	1,090,908	305,360
<b>Total</b>	<u>1,225,748</u>	<u>1,365,219</u>	<u>569,442</u>
<b>2.21 OTHER CURRENT LIABILITIES</b>			
<b>Other Liabilities</b>			
Payable to Statutory Authorities	72,952	350,872	247,971
Advance from customers	-	-	3,532,493
<b>Total</b>	<u>72,952</u>	<u>350,872</u>	<u>3,780,464</u>
<b>2.22 CURRENT PROVISIONS</b>			
<b>Provision for Employee Benefits</b>			
Gratuity (Refer Note 2.33)	560,378	857,799	589,175
<b>Total</b>	<u>560,378</u>	<u>857,799</u>	<u>589,175</u>
<b>Particulars</b>	<b>Year Ended 31.3.2018</b>	<b>Year Ended 31.3.2017</b>	
	<b>(in ₹)</b>	<b>(in ₹)</b>	
<b>2.23 REVENUE FROM OPERATIONS</b>			
Manufactured Goods	10,611,190	21,628,573	
Traded Goods	2,538,977	5,393,475	
	<u>13,150,167</u>	<u>27,022,048</u>	
<b>Details of the Products Sold</b>			
<b>Manufactured Goods</b>			
Healthcare Products	1,527,265	3,364,821	
Fine Chemicals	9,083,925	18,263,752	
	<u>10,611,190</u>	<u>21,628,573</u>	
<b>Traded Goods</b>			
Healthcare	2,538,977	5,393,475	
	<u>2,538,977</u>	<u>5,393,475</u>	
<b>2.24 OTHER INCOME</b>			
Interest Income	102,844	501,998	
Dividend Income	2,744	2,832	
Sundry balance Written back	7,816	2,522	
Rent Income on leasehold land	12,284,616	9,213,462	
MEIS License Income	94,303	-	
Profit on Exchange fluctuation	981	31,886	
Excise duty on Finished Goods	161,423	-	
	<u>12,654,727</u>	<u>9,752,700</u>	

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Particulars	Year Ended 31.3.2018 (in ₹)	Year Ended 31.3.2017 (in ₹)
<b>2.25 COST OF MATERIALS CONSUMED</b>		
<b>Raw Materials, Process Chemicals &amp; Packing Materials Consumed</b>		
Opening Stock	1,501,981	1,972,749
Add: Purchases	2,919,191	7,310,235
	<u>4,421,172</u>	<u>9,282,984</u>
Less: Closing Stock	358,467	1,501,981
<b>Cost of Material Consumed</b>	<u>4,062,705</u>	<u>7,781,003</u>
<b>Details of Raw Materials Consumed:</b>		
Solvents	-	-
Oxidising Substances	-	-
Inorganic Salts	3,436,890	6,798,504
Others	625,815	511,731
	<u>4,062,705</u>	<u>7,310,235</u>
<b>2.26 PURCHASE OF TRADED GOODS</b>		
Healthcare Products	1,028,251	1,874,483
	<u>1,028,251</u>	<u>1,874,483</u>
<b>2.27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK IN TRADE</b>		
<b>Inventories at the end of the year</b>		
Finished Goods \ Stock in Trade	510,975	1,680,170
<b>Inventories at the beginning of the year</b>		
Finished Goods \ Stock in Trade	1,680,170	1,608,655
	<u>1,169,195</u>	<u>(71,515)</u>
<b>Detail of Inventories</b>		
Finished Goods \ Stock in Trade		
Health Care Products	510,975	646,824
Fine Chemicals	-	1,033,346
	<u>510,975</u>	<u>1,680,170</u>
<b>2.28 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries,Wages & Bonus etc	3,823,715	3,541,428
Contributions to Provident & Other funds	163,875	161,034
Staff Welfare Expenses	88,492	75,554
	<u>4,076,082</u>	<u>3,778,016</u>
<b>2.29 OTHER EXPENSES</b>		
Processing Charges	3,449,343	6,931,227
Power & Fuel	121,285	42,847
Excise Duty on Stock	59,636	201,524
Freight, Clearing & Forwarding Charges	308,216	1,318,226
Advertisement	102,568	98,328
Auditor's Remuneration (Refer Note 2.31)	50,000	61,667
Bank Charges	23,032	103,621

Particulars	Year Ended 31.3.2018 (in ₹)	Year Ended 31.3.2017 (in ₹)
Office Rent	100,000	100,000
Rates & Taxes	342,967	107,837
Insurance	135,181	121,638
Repairs and Maintenance- Others	66,437	75,985
Marketing & Sales Promotion Expenses	1,589	133,847
Printing & Stationery	89,562	67,945
Travelling & Conveyance	62,763	88,321
Listing fees with Stock exchange	250,000	200,000
Communication Expenses	148,675	193,241
Depository Connectivity Charges	22,197	21,023
Professional Charges	125,750	122,650
Registrar & Share Transfer Agents Fees	190,232	194,201
Water charges	29,983	15,777
Internet & Website Expenses	73,267	32,226
Sundry balance written off	-	6,463
Factory Expenses	290,653	303,935
Loss on demolition of building	-	4,809
Bad Debts	168,153	-
Sitting Fees	45,000	-
Miscellaneous Expenses	126,630	130,306
	<u>6,383,119</u>	<u>10,677,644</u>
<b>2.30 OTHER COMPREHENSIVE INCOME</b>		
Items that will be reclassified to profit or loss		
Remeasurement of Defined Benefit Plans	-181,112	-81,573
Income Tax on items that will be reclassified to profit or loss		
Remeasurement of Defined Benefit Plans	-	-
	<u>-181,112</u>	<u>-81,573</u>
<b>2.31 PAYMENT TO AUDITORS</b>		
Audit Fees	25,000.00	25,000.00
Tax Audit Fees	13,000.00	13,000.00
Certifications fees	12,000.00	12,000.00
Reimbursement expenses	-	11,667.00
	<u>50,000.00</u>	<u>61,667.00</u>
<b>2.32 COMMITMENTS &amp; CONTINGENT LIABILITIES</b>		
a) Estimated Amount of Contract remains to be executed and not provided for in the accounts	NIL	NIL
b) Claims against the Company not acknowledges as Debts	NIL	NIL
<b>2.33 DISCLOSURE IN ACCORDANCE WITH ACCOUNTING STANDARDS AS NOTIFIED BY THE COMPANIES (ACCOUNTING STANDARDS) RULES, 2006.</b>		
<b>Accounting Standard (AS) - 15 on "Employee Benefits:</b>		
i. <b>Defined Contribution Plans:</b>		
The Company has recognised the following amounts in the Profits and Loss Account for the year:		
(i) Contribution to Employees' Provident Fund	163,875	161,034
<b>Total:</b>	<u>163,875</u>	<u>161,034</u>

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### ii. Defined Benefit Plans:

(i) Gratuity is payable to all the members at the rate of 15 days salary for each year of service.

#### A. Changes in the Present Value of Obligation in respect of Gratuity Benefits

a) Obligation at the year beginning	1,371,534	1,096,493
b) Interest Cost	93,264	84,430
c) Past Service Cost	-	-
d) Current Service Cost	67,758	72,561
e) Past Service Cost - Vested Benefit	-	-
f) Current Cost / (Credit)	-	-
g) Settlement Cost / (Credit)	-	-
h) Benefits Paid	-	-
i) Actuarial (Gain) / Loss	250,917	118,050
j) Obligation at the year end	1,783,473	1,371,534

#### B. Expenses recognised in the Profit and Loss Statement in respect of Gratuity Benefits

a) Current Service Cost	67,758	72,561
b) Past Service Cost	-	-
c) Interest Cost	93,264	84,430
d) Past Service Cost - Vested Benefit	-	-
e) Curtailment Cost / (Credit)	-	-
f) Settlement Cost / (Credit)	-	-
g) Net Actuarial (Gain) / Loss	-	-
h) Employees' Contribution	250,917	118,050
i) Total Expenses recognised in Profit and Loss Statement	411,939	275,041

Particulars	Year Ended 31.3.2018 (in ₹)	Year Ended 31.3.2017 (in ₹)
-------------	--------------------------------	--------------------------------

#### C. Following are the Principal Actuarial Assumption used as at the Balance Sheet date:

##### Particulars

a) Discount Rate	7.70%	6.80%
b) Salary Escalation rate	10.00%	10.00%
c) Turnover Rate	8.92%	9.23%
d) Mortality Table	LIC 1994-96 Ultimate Table	LIC 1994-96 Ultimate Table

The estimation of future salary increases considered in Actuarial Valuation takes account of inflation, seniority promotions, and other relevant factor on long term basis

#### D. Other Long Term Benefits

The Company's does not have any other Long Term benefits

#### 2.34 Accounting Standard (AS-17) "Segment Reporting":

The Company has identified business segments as its primary segment. Business segments are primarily Healthcare and Fine Chemicals Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary segments.

**Particular for the year ended March 31, 2018**

<b>Business Segments</b>	<b>Healthcare</b>	<b>Fine chemicals</b>	<b>Rent on Lease land</b>	<b>Total (₹)</b>
Revenue (Net of Excise Duty)	4,064,522	8,465,175	12,284,616	24,814,313
Segment Result	2,212,555	607,648	12,284,616	15,104,819
Unallocable expenses (Net)	-	-	-	7,878,051
Operating Income	-	-	-	7,226,768
Other Income (Net)	-	-	-	370,111
Profit before taxes	-	-	-	7,596,879
Provision for MAT	-	-	-	2,200,000
Provision for Deferred Tax	-	-	-	(3,375,331)
Other comprehensive Income	-	-	-	-181,112
Net profit for the year	-	-	-	8,953,322
Segment Assets	1,203,738	5,873,916	6,536,748	13,614,402
Unallocable Assets (less of Deferred tax asset)	-	-	-	20,362,799
Total Assets	-	-	-	33,977,201
Segment liabilities	73,276	-	6,142,308	6,215,584
Unallocable liabilities	-	-	-	3,082,173
<b>Total liabilities</b>	-	-	-	<b>9,297,757</b>

**2.35 Accounting Standard ( As-18) “ Related Party Disclosures”:**

- a) Entities in which the Company has substantial Interest  
Emmessar Technologies Limited
- b) Key Management Personnel and their relatives
  - i) MSR Ayyangar - Managing Director
  - ii) Dr. Anuradha Raghavan - Daughter of MSR Ayyangar
  - iii) Dr. Sarada Raghavan - Daughter of MSR Ayyangar

**Details of the transactions with above parties**

Financial transactions have been carried out in the ordinary course of business and/ or in discharge of contractual obligations

<b>Transaction During the year</b>	<b>With parties referred to in (a)</b>		<b>With parties referred to in b (i) (ii) (iii)</b>	
	<b>2017-2018</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2016-2017</b>
<b>Particulars</b>				
Purchases	3,026	Nil	Nil	Nil
Sales	9,780,933	18,386,215	Nil	Nil
Advance Given	Nil	Nil	Nil	Nil
Advance Repaid	Nil	Nil	Nil	Nil
Remuneration **	Nil	Nil	671,600	671,600

Note :-

<b>**Remuneration</b>	<b>2017-2018</b>	<b>2016-2017</b>
i) MSR Ayyangar	671,600	671,600
	<b>671,600</b>	<b>671,600</b>

2.36 Due to/ from parties are subject to confirmation

2.37 In the opinion of the Board all the current Assets, Loans and Advances deposits are realisable at value stated in ordinary course of business which are atleast equal to the amount at which they are stated in the books unless otherwise stated.

2.38 As no dividend has been declared during the current year as well as previous year, the Company has not remitted any dividend in foreign currency to its non resident shareholders during the current year as well as previous year

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### 2.39 Calculation of Earnings per share as per Accounting Standard (AS 20)

Particulars	2017-2018	2016-2017
Net Profit for the year (₹)	8,953,322	11,803,868
No of Equity Shares outstanding at the begning of the year	4,996,100	4,996,100
No. of Equity Shares outstanding at the end of the year	4,996,100	4,996,100
Weighted Average Number of Equity Shares	4,996,100	4,996,100
Nominal Value per Share	10	10
<b>Basic and Diluted (EPS)</b>	<b>1.79</b>	<b>2.36</b>

### 2.40 Earnings in Foreign Exchange

Export of Goods (FOB Value)	2,618,828	6,033,928
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### 2.41 Expenditure in Foreign Currency

Other Matters (Subscription & Membership fee)	-	11,931
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### 2.42 Details of Consumption of Imported & Indigenous Items

Particulars	2017-2018		2016-2017	
	Value in ₹	% of Total Consumption	Value in ₹	% of Total Consumption
<b>Raw Material</b>				
Imported	-	-	-	-
Indigenous	4,062,705	100	7,781,003	100
<b>Total</b>	<b>4,062,705</b>	<b>100</b>	<b>7,781,003</b>	<b>100</b>

### 2.43 LEASE RENTALS FOR NON-CANCELLABLE OPERATING LEASES:

Lease rental income is accounted to profit and loss as per lease agreement. The company has a lease agreement for the period of 45 years with Kool solutions private limited.

**Future lease rental income receivable under the agreement are as under :-**

Particulars	31.03.18	31.03.17	01.04.16
less than one year	12,591,731	12,284,616	9,213,462
Later than one year but not less than five years	55,741,445	53,468,791	51,902,503
Later than five years	1,036,088,974	1,050,953,360	1,064,804,264
<b>Total</b>	<b>1,104,422,150</b>	<b>1,116,706,767</b>	<b>1,125,920,229</b>

### 2.44 FAIR VALUE MEASUREMENTS:

The following disclosures are made as required by Ind AS -113 pertaining to Fair value measurement:

#### a. Accounting classification and fair values

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 table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

#### b. Financial risk management

The Company has exposure to the Credit risk, Liquidity risk and Market risk arising from financial instruments.

Risk Management Framework: The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Company's risk management policies.



The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits to control / monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted by internal audit. Internal audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is approved by the Board of Directors.

**c. Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

**Trade receivables:** 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.

The following table provides information about the exposure to credit risk and measurement of loss allowance using Life time expected credit loss for trade receivables:

	Up to 6 months	6mons. to 1 yr.	1 year to 3 years	More than 3 years	Total
<b>As on 31 March 2018</b>					
Gross Carrying Amount	334296	-	-	-	334296
Specific Provision	-	-	-	-	-
Carrying Amount	334296	-	-	-	334296
<b>As on 31 March 2017</b>					
Gross Carrying Amount	255880	-	-	153504	409384
Specific Provision	-	-	-	-	-
Carrying Amount	255880	-	-	-	409384
<b>As on 01 April 2016</b>					
Gross Carrying Amount	3492902		102127	53266	3648295
Specific Provision	-	-	-	-	-
Carrying Amount	3492902	-	102127	53266	3648295

**Cash and cash equivalents:**

The Company held cash and cash equivalents of Rs. 4,08,668/- as at 31 March 2018 (31 March 2017: Rs.1,43,845/-, 01 April 2016: Rs. 31,282/-). The cash and cash equivalents are held with reputed banks.

**d. 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 approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. (₹ in lakhs)

	Carrying amount	Contractual cash flows				Total
		Up to 1 year	1-2 years	2-5 years	Less than 5 years*	
<b>As on 31 Mar. 2018</b>						
Non-derivative financial liabilities						
Borrowings	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Trade payables	73276	73276	0	0	0	73276

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<b>As on 31 Mar. 2017</b>						
Non-derivative financial liabilities						
Borrowings	17558	17558	-	-	-	17558
Interest						-
Trade payables	2046955	2046955	-	-	-	2046955

<b>As on 01 Apr. 2016</b>						
Non-derivative financial liabilities						
Borrowings	51558	51558	-	-	-	51558
Interest						-
Trade payables	2007227	2007227	-	-	-	2007227

### e. Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices, will affect the Company's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables, long term debt and commodity prices. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and commodity price risk.

#### Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the Statement of profit and loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

#### Exposure to Interest rate risk:

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

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
Fixed-rate instruments		
Financial liabilities - measured at amortised cost	-	-
Variable-rate instruments		
Financial liabilities - measured at amortised cost	-	17558
<b>Total</b>		

#### Currency risk:

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies to manage its foreign currency exposure.

**Exposure to currency risk:**

The currency profile of financial assets and financial liabilities as on 31 March 2018, 31 March 2017 and 1 April 2016 are as below:

	<b>Total</b>	<b>INR</b>	<b>USD</b>
<b>As on 31 Mar. 2018</b>			
<b>Financial assets</b>			
Cash and cash equivalents	408668	408668	-
Short-term loans and advances	6254923	6254923	-
Trade and other receivables	334296	334296	-
Other Non-current financial asset	176488	176488	-
<b>Exposure for assets (A)</b>	<b>7174375</b>	<b>7174375</b>	-
<b>Financial liabilities</b>			
Long term borrowings	0	0	-
Short term borrowings	0	0	-
Trade and other payables	73276	73276	-
Other Current financial liabilities	1225748	1225748	-
Exposure for liabilities (B)	<b>1299024</b>	<b>1299024</b>	-
Net exposure (B-A)	<b>5875351</b>	<b>5875351</b>	-
	<b>Total</b>	<b>INR</b>	<b>USD</b>
<b>As on 31 Mar. 2017</b>			
<b>Financial assets</b>			
Cash and cash equivalents	143845	143845	-
Short-term loans and advances	5499695	5499695	-
Trade and other receivables	409384	409384	-
Other Non-current financial asset	2816581	2816581	-
Exposure for assets (A)	<b>8869505</b>	<b>8869505</b>	-
<b>Financial liabilities</b>			
Long term borrowings	0	0	-
Short term borrowings	17558	17558	-
Trade and other payables	2046955	2046955	-
Other Current financial liabilities	1382777	1382777	-
Exposure for liabilities (B)	<b>3429732</b>	<b>3429732</b>	-
Net exposure (B-A)	<b>5439773</b>	<b>5439773</b>	-
	<b>Total</b>	<b>INR</b>	<b>USD</b>
<b>As on 01<sup>st</sup> April 2016</b>			
<b>Financial assets</b>			
Cash and cash equivalents	31282	31282	-
Short-term loans and advances	673928	673928	-
Trade and other receivables	3648295	3648295	-
Other Non-current financial asset	1594666	1594666	-
Exposure for assets (A)	<b>5948171</b>	<b>5948171</b>	-
<b>Financial liabilities</b>			
Long term borrowings			
Short term borrowings			
Trade and other payables	2007227	2007227	-
Other Current financial liabilities	621000	621000	-
Exposure for liabilities (B)	<b>2628227</b>	<b>2628227</b>	-
Net exposure (B-A)	<b>(-) 3319944</b>	<b>(-) 3319944</b>	-

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### **Sensitivity analysis:**

Since there is no outstanding amount in foreign currency as on 31.03.2018, 31.03.2017 and 01.04.2016, there is no impact arising out of any variation in foreign currency to INR.

### **Capital Management**

For the purpose of the Company's capital management, capital includes issued capital, convertible instruments and reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments, if any, required in the light of the current economic environment and other business requirements.

## **2.45: Disclosures as required by Indian Accounting Standard (Ind AS) 101 - First Time Adoption of Indian Accounting Standards**

### **First Time Adoption of Ind AS**

The financial statements for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the mandatory exceptions and optional exemptions availed by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

#### **(i) Mandatory exceptions:**

##### **a) Estimates:**

The estimates as at 1 April 2016 and 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1 April 2016, the date of transition to Ind AS and as at 31 March 2017.

##### **b) Derecognition of financial assets & financial liabilities**

The Company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

##### **c) Classification and measurement of financial assets**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

#### **(ii) Optional exemptions (allowed as per Ind AS 101):**

##### **a) Long Term Foreign Currency Monetary Items:**

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items (foreign currency borrowings) recognized in financial statements for period ended immediately before beginning of first Ind AS financial reporting period as per previous GAAP i.e. 01 April 2017.

##### **b) Use of Deemed cost**

The Company has elected the option of carrying value as deemed cost for all its Property, Plant & Equipment as at the date of transition to Ind AS.

##### **c) The Company has elected to apply previous GAAP revaluation of Investment property which is the carrying value under the previous GAAP as deemed cost on the date of transition to Ind AS.**

**Reconciliation of Total Comprehensive Income for the year ended 31st March 2017**

Particulars	Note	Rs.
Net Profit / (Loss) As Per Earlier IGAAP		<b>11803868</b>
Effect for Remeasurement of Employee Benefits		(118050)
Deferred Tax Impact		36477
Net Profit / (Loss) As Per Ind-AS		11722295
Other Comprehensive Income ( Net of Deferred Tax )		81573
<b>Total Comprehensive Income As Per Ind-AS</b>		<b>11803868</b>

**Reconciliation of Equity**

( In Rs.)

Particulars	Note	31-Mar-17	01-Apr-16
Equity As Per Earlier IGAAP		<b>20894906</b>	9091038
Equity As Per Ind-AS		<b>20894906</b>	9091038

**a. Defined Employee Benefit Liabilities**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit or Loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in OCI. Due to this, for the year ended 31 March 2017, the employee benefit cost is reduced by Rs.81,573/- and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI .

**b. Recognition of investment property**

The investment property are reclassified from Property Plant & Equipment (PP&F) and presented separately amounting to Rs. 88,71,300/- (Gross Amount ) (as at 01/04/2016 – Rs. 88,71,300/-) as on date of transition to Ind AS by reclassifying from PP&E.

**Standards Issued but not yet effective**

The MCA has notified Ind AS 115 “Revenue from Contracts with Customers” which is effective from 1 April 2018. These have not been adopted early by the company and accordingly, have not been considered in the preparation of the financial statements. The information that are expected to be relevant to the financial statements is provided below.

**Amendments to Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued in February 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come in to force from accounting period commencing on or after 1st April 2018. The Company will adopt the new standard on the required effective date.

- 2.46** The accumulated loss as at the balance sheet date is ₹ 20112771/- which is less than fifty percent of the equity capital. Based on the income from operation and other income, the management is hopeful of wiping out the entire deficit in the following years. Accordingly the accounts are compiled and presented as a going concern.



**EMMESSAR BIOTECH & NUTRITION LTD**

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Investors Grievance Email: [investors@ebnl.org](mailto:investors@ebnl.org) CIN No. L24110MH1992PLC065942

**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]

Name of the Member(s) :	
Folio No. / Client ID :	

I/We, being a Member(s) of \_\_\_\_\_ Equity Shares of the above named Company hereby appoint:

(1) Name \_\_\_\_\_ Address \_\_\_\_\_

Email ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her \_\_\_\_\_

(2) Name \_\_\_\_\_ Address \_\_\_\_\_

Email ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her \_\_\_\_\_

(3) Name \_\_\_\_\_ Address \_\_\_\_\_

Email ID \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote ( on a poll) for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday 26<sup>th</sup> September, 2018 at 10.00AM at **THE REGISTERED OFFICE OF THE COMPANY AT PLOT No. T-3/2, MIDC AREA, TALOJA - 410208, DIST. RAIGAD. MAHARASHTRA** and at any adjournment thereof in respect of such resolutions as are indicated below:

**ORDINARY BUSINESS:**

**Resolution No:**

1. Adoption of Directors' Report, Audited financial statements for the year ended 31st March, 2018 and the Auditors' Report thereon.
2. Reappointment of Ms. Anuradha S. Raghavan (DIN No. 06557718) who retires by rotation.
3. Reappointment of Ms. Sarada S. Raghavan (DIN No. 06641146) who retires by rotation.
4. Ratification of appointment of Statutory Auditors of the company.
5. Re-appointment of Mr. MSR Ayyangar ( DIN No. 00090266) as Managing Director

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

**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



**EMMESSAR BIOTECH & NUTRITION LTD**

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Tel: 022-49738167/68 Email: [enquiries@ebnl.org](mailto:enquiries@ebnl.org) Site: [www.ebnl.org](http://www.ebnl.org)  
Investors Grievance Email: [investors@ebnl.org](mailto:investors@ebnl.org) CIN No. L24110MH1992PLC065942

**26<sup>th</sup> ANNUAL GENERAL MEETING TO BE HELD ON WEDNESDAY 26<sup>TH</sup> SEPTEMBER, 2018 AT 10.00 AM AT THE REGISTERED OFFICE OF THE COMPANY AT PLOT NO T-3/2, MIDC AREA, TALOJA - 410208, DIST. RAIGAD.MAHARASHTRA**

**ATTENDANCE SLIP**  
**(To be presented at the entrance)**

<b>Name of the Member(s) :</b>	
<b>Registered Address :</b>	
<b>Joint Holders</b>	
<b>Folio No. / Client ID :</b>	
<b>No. of Shares</b>	

I, Certify that I am the registered Shareholder of the Company and hold \_\_\_\_\_ Equity Shares, or that I am Proxy of the Registered Shareholder of the Company holding \_\_\_\_\_ Equity Shares. (Please indicate whether Member / proxy).

\_\_\_\_\_  
Member's Signature.

\_\_\_\_\_  
Proxy's Signature

<b>EVSN</b> <b>(Electronic Voting Sequence Number)</b>	<b>*Default PAN</b>
	<b>USE YOUR PAN</b>

\*Only Members who have not updated their PAN with the Company / Depository Participant shall use default PAN in the PAN field.

- NOTE :**
1. Only Member/ Proxy holder can attend the meeting.
  2. Member / Proxy holder should bring his/her copy of Annual Report for reference at the meeting.

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**Emmessar Biotech & Nutrition Ltd**

29, Kamer Building, 4th floor,

38, Cawasji Patel Street,

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