

Emmessar Biotech & Nutrition Ltd.



27th ANNUAL REPORT

2018 - 2019

BOARD OF DIRECTORS

Shri Ashok M. Kadakia (Chairman)
Shri MSR Ayyangar (Managing Director)
Shri Vijay K. Agrawal
Dr. (Mrs.) Anuradha S. Raghavan
Dr. (Mrs.) Sarada S. Raghavan

AUDITORS

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

REGISTERED OFFICE & FACTORY

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

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

NOTICE

Notice is hereby given that the **Twenty Seventh 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 Friday, the 27th day of September, 2019 at 10.00 hrs, 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, 2019, 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 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 31st Annual General Meeting to be held in the year 2023 on such remuneration as shall be fixed by the Board of Directors based on the recommendation of the Audit Committee."

SPECIAL BUSINESS

4. **Re-appointment of Mr. Ashok Manilal Kadakia (DIN: 00317237), Independent Director of the Company for a further period of 5 years.**

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

"RESOLVED THAT pursuant to the provisions of sections 149,152 and any other applicable provisions, if any, of the Companies Act, 2013 ("the act"), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Ashok Manilal Kadakia (DIN: 00317237), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years i.e. from September 27, 2019 to September 26, 2024 and whose office shall not be liable to retire by rotation."

5. **Re-appointment of Mr. Vijaykumar R. Agrawal (DIN: 01710632), Independent Director of the Company for a further period of 5 years.**

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

"RESOLVED THAT pursuant to the provisions of sections 149,152 and any other applicable provisions, if any, of the Companies Act, 2013 ("the act"), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Vijaykumar R. Agrawal (DIN: 01710632), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years i.e. from September 27, 2019 to September 26, 2024 and whose office shall not be liable to retire by rotation."

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

**Place: Mumbai
Date: 22.05.2019**

**MSR Ayyangar
Managing Director**

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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. up to the date of this Annual General Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed **from Saturday, 21st September, 2019 to Friday, 27th September, 2019** (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 :
 1. 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 27th 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 27th 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 Monday, 23.09.2019 (9.00 a.m.) and ends on Thursday, 26.09.2019 (5.00 p.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. 20.09.2019, may cast their vote electronically. The e-voting module shall be disabled by LI IPL for voting after 05.00 p.m. on 26.09.2019. 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 21.09.2019 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' sec-

tion 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).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> 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.
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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> 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).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <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 LIPL.

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

6. 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.
7. 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'.
8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. 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.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. 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 LIPL: <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 or Call us :- Tel : 022 - 49186000.
12. 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

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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 21st September, 2019.

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: 22.05.2019**

**MSR Ayyangar
Managing Director**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4 & 5

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, Mr. Ashok Manilal Kadakia and Mr. Vijaykumar R Agrawal were appointed as Independent Director(s) of the Company for a period of 5 (five) consecutive years upto the forthcoming AGM and they are being eligible for re-appointment for one more term.

The Nomination and Remuneration Committee on the basis of the report of performance evaluation of Independent Directors, has recommended the reappointment of Mr. Ashok Manilal Kadakia and Mr. Vijaykumar R. Agrawal for a second term of 5 (five) consecutive years (commencing from 27th September 2019) on the Board of the Company.

The Board of Directors based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee considers that, given their background, experience and analytical skills along with the contribution made by them during their tenure, the continued association of Mr. Ashok Manilal Kadakia and Mr. Vijaykumar Agrawal as Independent Director(s) would be beneficial to the Company and it is desirable to continue and to avail their service as Independent Director.

Accordingly, it is proposed to re-appoint Mr. Ashok Manilal Kadakia and Mr. Vijaykumar R. Agrawal as Independent Director(s) of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

The Company has also received a declaration from him confirming that he meets the criteria of independence as prescribed under the Companies Act, 2013 and the Listing Regulations.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mr. Ashok Manilal Kadakia and Mr. Vijaykumar R. Agrawal are not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Ashok Manilal Kadakia and Mr. Vijaykumar R. Agrawal for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Ashok Manilal Kadakia and Mr. Vijaykumar R. Agrawal fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations and is also Independent of the management.

Copy of draft letter of appointment of Mr. Ashok Manilal Kadakia and Mr. Vijaykumar R. Agrawal setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Mr. Ashok Manilal Kadakia is the only interested Director in the resolution set out at Item No. 4 and Mr. Vijaykumar R. Agrawal is the only interested Director in the resolution set out at Item No. 5 of the Notice with regard to their appointment. Their relatives may be deemed to be interested in the respective resolution to the extent of their shareholding interest, if any, in the Company.

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

**Place: Mumbai
Date: 22.05.2019**

**MSR Ayyangar
Managing Director**

Directors' Report

Your Directors present their 27th Annual Report together with Audited Statement of Accounts of your Company for the year ended 31st March 2019.

Financial Results	(₹. in Lacs)	(₹. in Lacs)
	2018-2019	2017-2018
Profit / (Loss) before Interest, Depreciation and Tax:	65.24	84.65
Depreciation:	7.86	5.06
Provision for Current Tax (MAT)	6.00	22.00
Deferred Tax	(1.91)	(33.75)
Profit / (Loss) after tax	53.29	91.34
Other Comprehensive income	0.95	1.81
Total Comprehensive income	52.33	89.53

Operations, Management's discussions and analysis:

As the arrangement so far made had not yielded the desired results, the Company is negotiating with several digital marketing experts for creating a suitable and effective marketing for all our products. This process could be arduous and time consuming as we are aiming at high level of success in the new attempt.

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:

The Company has not accepted any deposits from the public during the year under review.

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.

Directors and Key Managerial Personnel:

(A) Independent Directors:

The Company as on March 31, 2019 has two Independent Directors on Board:

1. Mr. Ashok M. Kadakia
2. Mr. Vijay K. Agrawal

All Independent Directors have furnished declarations that they meet the criteria of Independence as laid down under section 149 of the Companies Act, 2013.

The Company has received declarations with respect to independence from all the Independent Directors of the Company.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

The term of Mr. Ashok Manilal Kadakia and Mr. Vijaykumar R. Agrawal is coming to an end on September 27, 2019. The Board of Directors at their meeting held on May 22, 2019 has reappointed Mr. Ashok Manilal Kadakia and Mr. Vijaykumar R. Agrawal for a further period of five years on recommendation of Nomination and Remuneration committee.

The Board of Directors based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee considers that, given the background, experience and contribution made by Mr. Ashok Manilal Kadakia and Mr. Vijaykumar R. Agrawal during their tenure, their continued association would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director for second term. Accordingly, it is proposed to re-appoint Mr. Ashok Manilal Kadakia and Mr. Vijaykumar R. Agrawal as Independent Director(s) of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Their reappointment for a further period of Five years is subject to approval of shareholders at the ensuing annual general meeting. Accordingly, a resolution proposing his reappointment forms part of the notice of the ensuing annual general meeting. All the relevant details with regard to his re-appointment as Independent Director forms part of explanatory statement to the notice.

(B) Cessation of Directors:

During the year under review Mr. Arvind M. Shah, Mr. Manoj M. Shah and Mr. Ajay I. Bora tendered their resignations and the Board take on record their valuable services to the Company during their tenure.

(C) Appointment of Directors:

There is no appointment of Directors during the year under review.

(D) Retire by Rotation:

Dr.(Mrs.) Anuradha S. Raghavan retires by rotation at the ensuing Annual General Meeting. She, being eligible, has offered herself for re-appointment as the Director of the Company.

(E) Key Managerial Personnel:

Mr. Jeyavel Balaiah Nadar was appointed as Chief Financial Officer of the Company w.e.f. 2nd February, 2019

The Company is in the process of appointing a qualified company secretary

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(F) 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 2018-2019, four meeting of the Board of Directors were held on 16th May, 2018, 10th August, 2018, 2nd November, 2018 and 2nd February, 2019.

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:

The Board has been vested with specific responsibilities in assessing of risk management policy, process and system. The Board has evaluated the risks which may arise from the external factors such as economic conditions, regulatory framework, competition etc. The Executive management has embedded risk management and critical support functions and the necessary steps are taken to reduce the impact of risks. The Independent Directors expressed their satisfaction that the systems of risk management are defensible.

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 and the Rules made there under are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. All Related Party Transactions are placed before the Audit Committee.

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 31, 2019, 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, 2019 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 2018-2019 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 Mr. Mohd. Akram, a Company Secretary in Practice (Mem. ACS No. 22589, C.O.P. No. 9411) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure – A 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 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 does not have any employee whose particulars are required to be given pursuant to Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

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:

The Company has in place Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under this policy.

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 provisions of section 134 of Companies Act, 2013 were amended vide Companies Amendment Act, 2017 and the said amendment was brought in force w.e.f. 31st July 2018. Accordingly, the requirement of attaching the extract of Annual Return, in format MGT-9 with the Directors Report has been dispensed off and the same needs to be posted on the Company's website, if any, and a link is to be given in the Directors Report.

Accordingly extract of Annual Return is placed on the website of the Company.

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	₹. 30,29,405/-
Outgo	₹. Nil

Corporate Governance:

The paid-up capital of the Company is less than Rs. 10 Crores and the Net-worth of the Company is less than 25 Crores as on the last day of the previous financial year.

Pursuant to regulation 15(2) of SEBI (LODR) Regulations, 2015 the compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21,22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V SHALL NOT apply, in respect of those listed entities whose paid up equity share capital does not exceed rupees ten crore and net worth does not exceed rupees twenty five crore, as on the last day of the previous financial year.

Accordingly your company is exempt from attaching Corporate Governance report.

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: 22.05.2019**

**MSR Ayyangar
Managing Director**

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Management Discussions and Analysis

Along with digital marketing infrastructure creation, the Company have decided to partner with well established health care marketing companies. The exploration is on going and hopefully the company may find a reliable marketing partner in course of time.

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- 1 The Companies Act, 2013 (the Act) and the rules made there under;
- 2 The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 3 The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- 4 The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings 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.
- 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 Company Secretary, Key Managerial Personnel 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 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.

MOHD AKRAM
PRACTISING COMPANY SECRETARY
ACS NO 22589
C P NO 9411

Place: Mumbai
Date: 22-05-2019

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.

MOHD AKRAM
PRACTISING COMPANY SECRETARY
ACS NO 22589
C P NO 9411

Place: Mumbai
Date: 22-05-2019

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the standalone financial statements of Emmessar Biotech & Nutrition Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the Companies (Indian accounting standards) Rules, 2015, as amended ("Ind As") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matter	Response to Key Audit Matter
<p>Recognition of deferred tax Assets</p> <p>The company has recognised deferred tax asset mainly on account of unabsorbed depreciation under and tax credit available for set off (Minimum Alternate Tax) under the Income Tax Act. Under Ind AS 22 – Income Taxes, deferred tax assets shall be recognised to the extent that it is probable that future taxable profit will be available against which the</p>	<p>Our audit procedures included among others examining the future projections which are based on the judgement of the management taking into account the following:</p> <p>a. Unabsorbed depreciation which forms major portion of the deferred tax asset can be carried forward and set off against taxable profits for unlimited number of years under the Income Tax Act and</p>

unused tax allowance and tax credit can be utilised. This requires significant management judgement and estimation. As a result, the recognition of the deferred tax asset is a significant item of our audit.

Company has not appointed the qualified company secretary

The company has not appointed qualified company secretary as compliance officer.

As per SEBI circular no. SEBI/HO /CFD /CMD/ CIR/P/2018/77 dated May 3, 2018, the Company is liable to pay the fine of Rs. 1000 per day for Non – compliance with requirement to appoint a qualified company secretary as the compliance officer for the period from 1st October 2018 to 31st March 2019.

Fire Incident

During the year fire occurred in Taloja Factory on 16.12.2018 resulting in loss on account of property, Plant & machinery damage and death of security person.

b. Profitability projections based on current orders show sufficient profit for set off in future. Accordingly, we have found the future projections made by management for the purpose of recognition of deferred tax asset in the financial statements to be appropriate.

The management has informed that the company has taken and is continuing to take steps for appointment of company secretary. The company has given advertisement for the post of Company secretary but unable to get the appropriate candidate for the said post and we found that the Company has provided for penalty levied by BSE till March 2019 in the books.

Based on the information received from the management, the Company has no insurance policy for the assets lost in fire accident.

The management has informed us that the Plant and Machinery and Furniture and Fixtures lost in fire accident has no salvage value and hence loss of Rs.28,67,059/- on account of fire incidence has been written off in the books of account.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders Information but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence

obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose or preparation of the financial statements.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

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(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its managing director during the year is in accordance with the provisions of section 197 of the Act.

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

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

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amount which were required to be transferred to the Investor Education and protection fund by the company.

For **V. Sankar Aiyar & Co.,**
Chartered Accountants
(FRN 109208W)

V. Mohan
Partner
M.No.17748

Place: Mumbai
Date: May 22, 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMESSAR BIOTECH & NUTRITION LIMITED ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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 31st 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
(FRN 109208W)

V. Mohan
Partner
M.No.17748

Place: Mumbai
Date: May 22, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMESSAR BIOTECH & NUTRITION LIMITED ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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, 2019 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 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, 2019, 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
(FRN 109208W)

V. Mohan
Partner
M.No.17748

Place: Mumbai
Date: May 22, 2019

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BALANCE SHEET AS AT 31ST MARCH 2019

Particulars	Note No.	(Value in ₹)	
		As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, Plant & Equipment	2.01	13,429,875	16,007,101
Investment Property	2.02	6,443,366	6,536,748
Financial Assets			
Other Financial Assets	2.03	150,160	151,160
Deferred tax assets (net)	2.04	7,602,585	4,574,325
Other non-current assets	2.06	-	1,044,006
		27,625,986	28,313,340
Current assets			
Inventories	2.07	7,281,251	869,442
Financial Assets			
Investments	2.08	69,319	65,692
Trade receivables	2.09	382,499	334,296
Cash and cash equivalents	2.10	777,339	408,668
Bank balances other than Cash & Cash Equivalents	2.11	6,367,354	2,279,837
Loans	2.12	51,000	35,000
Income Tax Assets (Net)	2.05	1,288,780	594,460
Other Financial assets	2.13	156,046	10,328
Other current assets	2.14	7,646,634	6,234,923
		24,020,222	10,832,646
TOTAL ASSETS		51,646,207	39,145,986
EQUITY AND LIABILITIES			
Shareholders' funds			
Equity Share capital	2.15	49,961,000	49,961,000
Other Equity	2.16	(14,879,271)	(20,112,771)
		35,081,729	29,848,229
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	2.17	6,142,308	6,142,308
Provisions	2.18	1,428,497	1,223,095
Other non current liabilities			
		7,570,805	7,365,403
Current liabilities			
Financial liabilities			
Borrowings	2.19	717,366	-
Trade Payable	2.20	5,752,132	73,276
Other financial liabilities	2.21	1,717,765	1,225,748
Other current liabilities	2.22	124,113	72,952
Provisions	2.23	682,297	560,378
		8,993,673	1,932,354
TOTAL EQUITY AND LIABILITIES		51,646,207	39,145,986

Significant Accounting Policies & Notes on Accounts 1&2

As Per Our Report of Even Date attached

For and on behalf of the Board

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

Ashok M. Kadakia
Chairman
DIN:00317237

MSR Ayyangar
Managing Director
DIN: 00090266

V. Mohan
Partner
M.No. 17748

Vijay K. Agrawal
Director
DIN: 01710632

Place : Mumbai
Date: 22nd May 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

(Value in ₹)

Particulars	Note No.	For the year ended ended 31 March 2019	For the year ended ended March 2018
INCOME			
Revenue From Operations	2.24	6,295,044	13,150,167
Other income	2.25	12,999,302	12,654,727
TOTAL REVENUE		<u>19,294,346</u>	<u>25,804,894</u>
EXPENSES			
Cost of Materials Consumed	2.26	3,660,068	4,062,705
Purchase of Stock in Trade	2.27	1,794,581	1,028,251
Change in Inventories of Finished Goods, Work in Progress, Stock in Trade,	2.28	(4,213,571)	1,169,195
Excise Duty		0	620,470
Employee Benefit Expenses	2.29	5,755,204	4,076,082
Depreciation and amortisation expense	2.01	786,369	505,968
Other expenses	2.30	5,706,590	6,383,119
TOTAL EXPENSES		<u>13,489,241</u>	<u>17,845,790</u>
PROFIT / (LOSS) BEFORE TAX & EXCEPTIONAL ITEMS		5,805,105	7,959,104
Exceptional Items	2.31	2,867,059	-
PROFIT / (LOSS) BEFORE TAX		2,938,046	7,959,104
Tax expense:			
Provision for Current tax (MAT)		(600,000)	(2,200,000)
Provision for Deferred tax Asset / (Liability)		191,314	3,375,331
MAT Credit available (includes Rs. 2200000 related to previous years)		2,800,000	-
PROFIT / (LOSS) AFTER TAX		<u>5,329,359</u>	<u>9,134,435</u>
OTHER COMPREHENSIVE INCOME			
A. (i) Items that will not be reclassified to profit or loss	2.32	132,805	250,917
(ii) Tax on items that will not be reclassified to profit or loss		(36,946)	(69,805)
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Tax on items that will be reclassified to profit or loss		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>95,859</u>	<u>181,112</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>5,233,501</u>	<u>8,953,323</u>
EARNING PER SHARE			
(Equity Shares of Par Value Rs 10/- each fully paid-up)			
Basic		1.05	1.79
Dilute		1.05	1.79

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

For and on behalf of the Board

Ashok M. Kadakia
Chairman
DIN:00317237

Vijay K. Agrawal
Director
DIN: 01710632

MSR Ayyangar
Managing Director
DIN: 00090266

Place : Mumbai
Date: 22nd May 2019

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019

	2018-2019 (in ₹)	2017-2018 (in ₹)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	5,805,105	7,959,104
Add/(-)Less: Depreciation :	786,369	505,968
Interest / Dividend	(355,105)	(105,588)
Other comprehensive income	(132,805)	(250,917)
Exceptional Items	(975,020)	0
Operating Profit / (Loss) before working Capital changes	5,128,544	8,108,567
Adjustment for (Increase) / Decrease in operating Assets		
Inventories	(6,411,809)	2,312,709
Trade Receivables	(48,203)	75,088
Non current loans and Income Tax Assets	816,746	1,367,872
Other Financial Assets	(145,718)	(10,328)
Current Assets - Loans and other assets	(2,122,031)	(268,106)
Adjustment for Increase / (Decrease) in operating Liabilities		
Non current provisions	(394,598)	(990,639)
Trade Payables	5,678,856	(1,973,678)
Borrowings and Other Financial Liabilities	1,209,383	(157,029)
Other Current Liabilities	51,161	(277,920)
Current Provisions	121,919	(297,421)
Cash generated before tax payment	3,884,250	7,889,115
Less: Income tax paid	0	500,000
Cash generated from operations	3,884,250	7,389,115
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(7,800)	(7,769,612)
Investments in Mutual Funds	(3,627)	(2,745)
Interest / Dividend Received	355,105	105,588
Investments in Fixed Deposits (maturing within 12 months)	(4,087,517)	770,737
Net Cash inflow/(out flow) in Investing activities	(3,743,839)	(6,896,032)
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash used in financing activities		
Net increase in cash and cash equivalents	140,411	493,083
Cash and cash equivalents as at the beginning of the year	636,928	143,845
Cash and cash equivalents as at the end of the year	777,339	636,928

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

For and on behalf of the Board
Ashok M. Kadakia
Chairman
DIN:00317237
MSR Ayyangar
Managing Director
DIN: 00090266

Vijay K. Agrawal
Director
DIN: 01710632
Place : Mumbai
Date: 22nd May 2019

NOTE FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019
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.

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 22nd May 2019.

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.
- 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.

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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:

Sale of goods: Revenue from the sale of goods is recognised when the performance obligation is satisfied by transferring the related goods to the customer. The performance obligation is considered to be satisfied when the customer obtains control of the goods.

Revenue from the sale of goods and services are measured at the fair value of the consideration received or receivable (after including fair value allocations related to arrangements involving more than one performance obligation), net of returns, taxes or duties collected on behalf of the Government and applicable trade discounts or rebates.

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 un-absorbed 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.

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 partici-

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pants 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 2019

2.00 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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, 2018"	Additions	Disposals*	As at 31.3.2019	Balance as at 1.4.2018	For the year	Deductions/ adjustments*	Up to 31.3.2019	As at 31.3.2019	As at 31.3.2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Factory Buildings	15,402,320	-	-	15,402,320	1,854,836	430,095	-	2,284,931	13,117,389	13,547,484
(b) Residential Buildings	332,500	-	-	332,500	164,008	5,237	-	169,244	163,256	168,492
(c) Plant and Equipments	887,034	7,800	887,034	7,800	53,211	40,160	93,337	34	7,766	833,823
(d) Furniture and Fixtures	2,069,812	-	1,649,997	419,815	691,538	201,091	551,655	340,974	78,841	1,378,274
(e) Office equipment	1,273,405	-	-	1,273,405	1,194,378	16,405	-	1,210,782	62,623	79,027
Total	19,965,071	7,800	2,537,031	17,435,840	3,957,970	692,987	644,992	4,005,965	13,429,875	16,007,101
Previous year	4,160,901	15,804,170	-	19,965,071	3,621,534	336,436	-	3,957,970	16,007,101	539,367

* ASSET LOST DUE TO FIRE IN THE FACTORY AND THERE IS NO SALVAGE VALUE

Particulars	AS AT 31-03-2019	AS AT 31-03-2018
2.02 INVESTMENT PROPERTY		
Investment in Property		
Cost:		
Opening Balance	8,871,300	8,871,300
Additions During the Year	-	-
Disposals / Transfers During the Year	-	-
Gross Investment	<u>8,871,300</u>	<u>8,871,300</u>
Depreciation on Investment Property		
Opening Balance	2,334,552	2,165,020
Additions During the Year	93,382.00	169,532.00
Disposals / Transfers During the Year	-	0
Closing Balance	<u>2,427,934</u>	<u>2,334,552</u>
Net Investment	<u>6,443,366</u>	<u>6,536,748</u>
Fair Value	<u>177,386,000</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 OTHER FINANCIAL ASSETS

Security Deposits	150,160	151,160
	<u>150,160</u>	<u>151,160</u>

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Particulars	AS AT 31-03-2019	AS AT 31-03-2018
2.04 DEFERRED TAX ASSET		
Assets		
Depreciation	119,089	410,940
Unabsorbed Depreciation in Income Tax	4,096,273	3,667,223
Employee benefit (Gratuity)	587,223	496,162
Un-utilized MAT Credit	2,800,000	-
Total	7,602,585	4,574,325
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	3,188,780	1,894,460
Advance Tax paid	900,000	900,000
Less: Provision for Income Tax (MAT)	(2,800,000)	(2,200,000)
Total	1,288,780	594,460
2.06 OTHER NON CURRENT ASSETS		
Statutory receivable		
Vat Credit receivables	-	1,044,006
Total	-	1,044,006
2.07 INVENTORIES		
(At Lower of Cost or Net Realisable Value)		
Raw Materials	2,556,705	358,467
Finished Goods	4,724,546	510,975
Total	7,281,251	869,442
2.08 CURRENT INVESTMENTS		
Unquoted (Carried at Fair value through Profit & Loss) In Mutual Fund		
41.367 Units (P.Y. 35.889) Dividend option SBI Magnum Insta Cash Fund (Market Value Rs. 69319, PY Rs. 65692)	69,319	65,692
Total	69,319	65,692
Net Asset Value	69,319	65,692
2.09 TRADE RECEIVABLES		
Unsecured		
Considered Good	382,499	334,296
Considered Doubtful	-	-
	382,499	334,296
Less: Allowance for credit loss	-	-
Total	382,499	334,296

Particulars	AS AT 31-03-2019	AS AT 31-03-2018
2.10 CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents		
In Current Account	23,051	408,640
Cash on Hand	754,288	28
Total	<u>777,339</u>	<u>408,668</u>
2.11 BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS		
Bank Balance other than cash & cash equivalents		
In Fixed Deposit Account (maturing within 12 months)	6,367,354	2,279,837
Total	<u>6,367,354</u>	<u>2,279,837</u>
2.12 LOANS		
Loans receivables considered good - unsecured		
Other Loans		
Loan to employees	51,000	35,000
Total	<u>51,000</u>	<u>35,000</u>
2.13 OTHER FINANCIAL ASSETS		
Accrued Interest but not due	156,046	10,328
Total	<u>156,046</u>	<u>10,328</u>
2.14 OTHER CURRENT ASSETS		
Balances with Government Authorities	844,153	-
GST Credit	-	-
Others		
Prepaid Expenses	75,480	116,506
Advance to Suppliers	6,727,001	6,118,417
Total	<u>7,646,634</u>	<u>6,234,923</u>
2.15 SHARE CAPITAL		
Authorised :		
Equity shares of Rs 10/- Par Value		
54,00,000(P.Y. 54,00,000) Equity Shares	54,000,000	54,000,000
	54,000,000	54,000,000
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	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		
	<u>49,961,000</u>	<u>49,961,000</u>
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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d) List of Shareholders holding more than 5% of the Total Number of Shares issued by the Company

Name of the Shareholder	As At 31 st March 2019		As At 31 st March 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
M.S.Raghavan	267292	5.35	266592	5.34
Emmessar Technologies Ltd	1014980	20.32	1014980	20.32
Manar Leasing & Investment Pvt Ltd	528000	10.57	528000	10.57
Amu Investment & Finance Pvt Ltd	260000	5.20	260000	5.20
Heena M Shah	268100	5.37	268000	5.36

e) Share Reconciliation

The reconciliation of the number of shares outstanding and the amount of Share Capital as at March 31, 2019 and March 31, 2018 is set out below:

Particular	As At 31 st March 2019	As At 31 st March 2018
	No. of Shares	
Balance at the beginning of the year	4996100	4996100
Changes in equity capital during the year	0	0
Balance at the end of the Year	4996100	4996100

2.16 OTHER EQUITY

Retained Earnings

As Per Last Account	(19,850,087)	(28,984,521)
Add: Opening Balance Adjustment due to Ind AS	0	0
Profit For the Year	5,329,359	9,134,434
Closing Balance	(14,520,728)	(19,850,087)

Other Comprehensive Income

As Per Last Account	(262,685)	(81,573)
Additions During the Year	(95,859)	(181,112)
Closing Balance	(358,544)	(262,685)
Total	(14,879,271)	(20,112,772)

2.17 OTHER FINANCIAL LIABILITIES

Security Deposit (Factory land)	6,142,308	6,142,308
Total	6,142,308	6,142,308

2.18 NON CURRENT PROVISIONS

Provision for Employee Benefits

Grauity (Refer Note 2.35)	1,428,497	1,223,095
Total	1,428,497	1,223,095

2.19 BORROWINGS

Bank Overdraft	717,366	-
Total	717,366	-

Particular	As At 31 st March 2019	As At 31 st March 2018
2.20 TRADE PAYABLES		
Micro, Small & Medium Enterprises (Refer Note 2.46)	-	-
Other Trade Payables	5,752,132	73,276
Total	<u>5,752,132</u>	<u>73,276</u>
2.21 OTHER FINANCIAL LIABILITIES		
Accrued Payroll	353,092	367,174
Accrued Expenses	1,364,673	858,574
Total	<u>1,717,765</u>	<u>1,225,748</u>
2.22 OTHER CURRENT LIABILITIES		
Other Liabilities		
Payable to Statutory Authorities	112,006	72,952
Advance from customers	12,107	-
Total	<u>124,113</u>	<u>72,952</u>
2.23 CURRENT PROVISIONS		
Provision for Employee Benefits		
Grauity (Refer Note 2.35)	682,297	560,378
Total	<u>682,297</u>	<u>560,378</u>
Particulars	Year Ended 31.3.2019	Year Ended 31.3.2018
	(in ₹)	(in ₹)
2.24 REVENUE FROM OPERATIONS		
Manufactured Goods	2,748,229	10,611,190
Traded Goods	3,546,815	2,538,977
	<u>6,295,044</u>	<u>13,150,167</u>
Details of the Products Sold		
Manufactured Goods		
Healthcare Products	1,593,229	1,527,265
Fine Chemicals	1,155,000	9,083,925
	<u>2,748,229</u>	<u>10,611,190</u>
Traded Goods		
Healthcare Products	3,546,815	2,538,977
	<u>3,546,815</u>	<u>2,538,977</u>
2.25 OTHER INCOME		
Interest Income	351,478	102,844
Dividend Income	3,627	2,744
Sundry balance Written back	-	7,816
Rent Income on leasehold land	12,591,732	12,284,616
MEIS License Income	41,914	94,303
Profit on Exchange fluctuation	-	981
Excise duty on Finished Goods	-	161,423
Duty Drawback on exports	10,551	-
	<u>12,999,302</u>	<u>12,654,727</u>

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Particulars	Year Ended 31.3.2019 (in ₹)	Year Ended 31.3.2018 (in ₹)
2.26 COST OF MATERIALS CONSUMED		
Raw Materials, Process Chemicals & Packing Materials Consumed		
Opening Stock	358,467	1,501,981
Add: Purchases	5,858,306	2,919,191
	<u>6,216,773</u>	<u>4,421,172</u>
Less: Closing Stock	2,556,705	358,467
Cost of Material Consumed	<u><u>3,660,068</u></u>	<u><u>4,062,705</u></u>
Details of Raw Materials Consumed:		
Solvents	-	-
Oxidising Substances	-	-
Inorganic Salts	3,048,862	3,436,890
Others	611,206	625,815
	<u><u>3,660,068</u></u>	<u><u>4,062,705</u></u>
2.27 PURCHASE OF TRADED GOODS		
Healthcare Products	1,794,581	1,028,251
	<u><u>1,794,581</u></u>	<u><u>1,028,251</u></u>
2.28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE		
Inventories at the end of the year		
Finished Goods \ Stock in Trade	4,724,546	510,975
Inventories at the beginning of the year		
Finished Goods \ Stock in Trade	510,975	1,680,170
	<u><u>(4,213,571)</u></u>	<u><u>1,169,195</u></u>
Detail of Inventories		
Finished Goods \ Stock in Trade		
Health Care Products	116,612	510,975
Fine Chemicals	4,607,934	-
	<u><u>4,724,546</u></u>	<u><u>510,975</u></u>
2.29 EMPLOYEE BENEFIT EXPENSES		
Salaries,Wages & Bonus etc	5,545,389	3,823,715
Contributions to Provident & Other funds	174,691	163,875
Staff Welfare Expenses	35,124	88,492
	<u><u>5,755,204</u></u>	<u><u>4,076,082</u></u>
2.30 OTHER EXPENSES		
Processing Charges	2,100,414	3,449,343
Power & Fuel	156,334	121,285
Excise Duty on Stock	-	59,636
Freight, Clearing & Forwarding Charges	282,111	308,216
Advertisement	142,368	102,568
Auditor's Remuneration (Refer Note 2.33)	60,000	50,000
Bank Charges	15,341	23,032

Particulars	Year Ended 31.3.2019 (in ₹)	Year Ended 31.3.2018 (in ₹)
Office Rent	100,000	100,000
Rates & Taxes	470,004	342,967
Insurance	94,271	135,181
Repairs and Maintenance- Others	170,096	66,437
Marketing & Sales Promotion Expenses	210,632	1,589
Printing & Stationery	88,114	89,562
Travelling & Conveyance	77,060	62,763
Listing fees with Stock exchange	250,000	250,000
Communication Expenses	276,150	148,675
Depository Connectivity Charges	19,000	22,197
Professional Charges	333,250	125,750
Registrar & Share Transfer Agents Fees	188,886	190,232
Water charges	12,071	29,983
Internet & Website Expenses	26,043	73,267
Sundry expenses	16,443	-
Factory Expenses	246,255	290,653
Subscription & Membership fee	34,407	39,100
Bad Debts	-	168,153
Sitting Fees	30,000	45,000
Miscellaneous Expenses	92,580	87,530
Penalty charges	214,760	-
	5,706,590	6,383,119
2.31 EXCEPTIONAL ITEMS		
Loss due to Fire		
Workmen compensation due to death	975,020	-
Plant & Machinery	793,697	-
Furniture & Fixtures	1,098,342	-
	2,867,059	-
2.32 OTHER COMPREHENSIVE INCOME		
Items that will be reclassified to profit or loss		
Remeasurement of Defined Benefit Plans	(95,859)	(181,112)
Income Tax on items that will be reclassified to profit or loss		
Remeasurement of Defined Benefit Plans	-	-
	(95,859)	(181,112)
2.33 PAYMENT TO AUDITORS		
Audit Fees	25,000.00	25,000.00
Tax Audit Fees	13,000.00	13,000.00
Certifications fees	22,000.00	12,000.00
	60,000.00	50,000.00
2.34 COMMITMENTS & CONTINGENT LIABILITIES		
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

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2.35 DISCLOSURE IN ACCORDANCE WITH ACCOUNTING STANDARDS AS NOTIFIED BY THE COMPANIES (ACCOUNTING STANDARDS) RULES, 2006.

Accounting Standard (Ind AS-19) on "Employee Benefits:

i. Defined Contribution Plans:

The Company has recognised the following amounts in the Profits and Loss Account for the year:

(i) Contribution to Employees' Provident Fund	174,691	163,875
Total:	174,691	163,875

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	1,783,473	1,371,534
b) Interest Cost	137,327	93,264
c) Past Service Cost	-	-
d) Current Service Cost	57,189	67,758
e) Past Service Cost - Vested Benefit	-	-
f) Current Cost / (Credit)	-	-
g) Settlement Cost / (Credit)	-	-
h) Benefits Paid	-	-
i) Actuarial (Gain) / Loss	132,805	250,917
j) Obligation at the year end	2,110,794	1,783,473

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

a) Current Service Cost	57,189	67,758
b) Past Service Cost	-	-
c) Interest Cost	137,327	93,264
d) Past Service Cost - Vested Benefit	-	-
e) Curtailment Cost / (Credit)	-	-
f) Settlement Cost / (Credit)	-	-
g) Net Actuarial (Gain) / Loss	-	-
h) Employees' Contribution	132,805	250,917
i) Total Expenses recognised in Profit and Loss Statement	327,321	411,939

Particulars	Year Ended 31.3.2019 (in ₹)	Year Ended 31.3.2018 (in ₹)
-------------	--------------------------------	--------------------------------

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

Particulars

a) Discount Rate	7.50%	7.70%
b) Salary Escalation rate	10.00%	10.00%
c) Turnover Rate	9.49%	8.92%
d) Mortality Table	2012-14 Ultimate Table	2006-08 Ultimate Table

The estimation of future salary increases considered in Actuarial Valuation takes account of infation, 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

2.36 Accounting Standard (Ind AS) "Segment Reporting":

The Company has identified business segments as its primary segment. Business segments are primarily Healthcare, Fine Chemicals and Rent on Immovable property. 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, 2019

Business Segments	Healthcare	Fine chemicals	Rent on Lease land	Total (₹)
Revenue (Net of GST)	5,140,044	1,155,000	12,591,732	18,886,776
Segment Result	2,921,161	32,391	12,591,732	15,545,284
Unallocable expenses (Net)	-	-	-	10,147,749
Operating Income	-	-	-	5,397,535
Other Income (Net)	-	-	-	407,570
Profit before taxes	-	-	-	5,805,105
Exceptional Items	-	-	-	2,867,059
Provision for Income Tax (MAT)	-	-	-	600,000
Provision for Deferred Tax	-	-	-	(191,314)
Other comprehensive Income	-	-	-	95,859
MAT Credit available	-	-	-	-2,800,000
Net profit for the year	-	-	-	5,233,501
Segment Assets	796,659	12,903,304	6,443,366	20,143,329
Unallocable Assets (less of Deferred tax asset)	-	-	-	22,611,513
Total Assets	-	-	-	42,754,842
Segment liabilities	-	5,752,132	6,142,308	11,894,440
Unallocable liabilities	-	-	-	4,670,038
Total liabilities	-	-	-	16,564,478

2.37 Accounting Standard (Ind As-24) “ 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
 - iv) Jeyavel B. Nadar - Chief Financial Officer (w.e.f 02.02.2019)

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

Transaction During the year	With parties referred to in (a)		With parties referred to in b (i) (ii) (iii)	
Particulars	2018-2019	2017-2018	2018-2019	2017-2018
Purchases	2,788,997	3,026	Nil	Nil
Sales	1,994,352	9,780,933	Nil	Nil
Advance Given	Nil	Nil	Nil	Nil
Advance Repaid	Nil	Nil	Nil	Nil
Remuneration **	Nil	Nil	2,041,000	671,600

Note :-

**Remuneration	2018-2019	2017-2018
i) MSR Ayyangar	1,920,000	671,600
iv) Jeyavel B. Nadar	121,000	-
	2,041,000	671,600

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2.38 Due to/ from parties are subject to confirmation

2.39 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.

2.40 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.

2.41 Calculation of Earnings per share as per Ind AS (Ind AS 33)

Particulars	2018-2019	2017-2018
Net Profit for the year (Rs)	5,233,501	8,953,322
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
Basic and Diluted (EPS)	1.05	1.79

2.42 Earnings in Foreign Exchange

Export of Goods (FOB Value)	3,029,405	2,618,828
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2.43 Expenditure in Foreign Currency

Other Matters	0	0
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2.44 Details of Consumption of Imported & Indigenous Items

Particulars	2018-2019		2017-2018	
	Value in ₹	% of Total Consumption	Value in ₹	% of Total Consumption
Raw Material				
Imported	0	0	0	0
Indigenous	3,660,068	100	4,062,705	100
Total	3,660,068	100	4,062,705	100

2.45 LEASE RENTALS FOR NON-CANCELLABLE OPERATING LEASES (Ind AS-17):

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	31.03.2019	31.03.2018
less than one year	13,513,078	12,591,731
Later than one year but not less than five years	57,092,753	55,741,445
Later than five years	1,021,224,589	1,036,088,974
Total	1,091,830,420	1,104,422,150

2.46 To the extent, the Company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under for the year:

Particulars	31.03.2019	31.03.2018
Amount due and payable at the year end	-	-
- Principal	-	-
- Interest on above Principal	-	-
Payment made during the year after the due date	-	-
- Principal	-	-
- Interest	-	-
Interest due and payable for Principal already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-

2.47 The following disclosures are made as required by Ind AS 12 pertaining to Income taxes
a) Amounts recognized in the Statement of Profit and Loss / Other Comprehensive Income (OCI)

	Particulars	31.03.2019	31.03.2018
A	Current tax expense	600,000	2,200,000
B	Deferred tax expense / (asset) relating to		
	-Origination and reversal of temporary differences	-2,991,314	-3,375,331
	-Change in tax rate	-	-
	-Recognition of previously unrecognized tax (gains)/ losses	-	-
	- Total (B)	-2,991,314	-3,375,331
C	Tax expense recognized in the Statement of profit and loss (A+B)	2,391,314	1,175,331
D	Deferred tax expense / (asset) relating to re-measurement of the defined benefit plan (gratuity) recognized in OCI	-36,946	-69,805

b) Reconciliation of effective tax rate as a numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate.

	Particulars	31.03.2019	31.03.2018
A	Profit before tax	5,805,105	7,959,104
B	Applicable Tax Rate (in percentage)	27.82	27.82
C	Tax using the applicable tax rate (A multiplied by B)	1,614,980	2,214,223
	Tax effect of:	-	-
	Non-deductible tax expenses	-	-
	Recognition of tax effect of previously unrecognised tax gains/(losses)	776333	-1038892
D	Tax expense recognized in the Statement of profit and loss	2,391,314	1,175,331
E	Weighted average tax rates (D divided by A expressed in percentage)	41.19	14.77

c) Movement in Deferred Tax balances

	Particulars	Opening balance	Recognised in state-ment of Profit & Loss	Recognised in OCI	Closing balance
	For the year ended 31.03.2019				
	Deferred Tax assets on				
	Employee benefit	496,162	54,115	36,946	587,223
	Depreciation	410,940	-291,851	-	119,089
	Unabsorbed Depreciation	3,667,223	429,050	-	4,096,273
Add:	Unsuad tax credit	-	2,800,000	-	2,800,000
	Net Deferred tax assets after unsuad tax credit	4,574,325	2,991,314	36,946	7,602,585
	For the year ended 31.03.2018				
	Deferred Tax assets on				
	Employee benefit	423,804	2,553	69,805	496,162
	Depreciation	705,386	-294,446	-	410,940
	Unabsorbed Depreciation	-	3,667,223	-	3,667,223
Add:	Unsuad tax credit	-	-	-	-
	Net Deferred tax assets after unsuad tax credit	1,129,190	3,375,330	69,805	4,574,325

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NOTE 2.48 - 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
As on 31 March 2019					
Gross Carrying Amount	382499	0	0	0	382499
Specific Provision	0	0	0	0	0
Carrying Amount	334296	0	0	0	334296
As on 31 March 2018					
Gross Carrying Amount	334296	0	0	0	334296
Specific Provision	0	0	0	0	0
Carrying Amount	334296	0	0	0	334296

Cash and cash equivalents:

The Company held cash and cash equivalents of Rs. 59,973/- as at 31 March 2019 (31 March 2018: Rs.4,08,668/-). 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)

Contractual cash flows						
	Carrying amount	Up to 1 year	1-2 years	2-5 years	Less than 5 years*	Total
As on 31 Mar. 2019						
Non-derivative financial liabilities						
Borrowings	717366	717366	0	0	0	717366
Interest	0	0	0	0	0	0
Trade payables	5752132	5752132	0	0	0	5752132

As on 31 Mar. 2018						
Non-derivative financial liabilities						
Borrowings	0	0	0	0	0	0
Interest						0
Trade payables	73276	73276	0	0	0	73276

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 st March 2019	31 st March 2018
Fixed-rate instruments		
Financial liabilities - measured at amortised cost	-	-
Variable-rate instruments		
Financial liabilities - measured at amortised cost	717366	-
Total		

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.

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Exposure to currency risk:

The currency profile of financial assets and financial liabilities as on 31 March 2019, 31 March 2018 are as below:

	Total	INR	USD
As on 31 Mar. 2019			
Financial assets			
Cash and cash equivalents	777339	777339	0
Short-term loans and advances	7687634	7687634	0
Trade and other receivables	382499	382499	0
Other Non-current financial asset	316206	316206	0
Exposure for assets (A)	9163678	9163678	0
Financial liabilities			
Long term borrowings	0	0	0
Short term borrowings	0	0	0
Trade and other payables	5752132	5752132	0
Other Current financial liabilities	1717765	1717765	0
Exposure for liabilities (B)	7469897	7659897	0
Net exposure (A-B)	1693781	1693781	0
As on 31 Mar. 2018			
Financial assets			
Cash and cash equivalents	408668	408668	0
Short-term loans and advances	6254923	6254923	0
Trade and other receivables	334296	334296	0
Other Non-current financial asset	176488	176488	0
Exposure for assets (A)	7174375	7174375	0
Financial liabilities			
Long term borrowings	0	0	0
Short term borrowings	0	0	0
Trade and other payables	73276	73276	0
Other Current financial liabilities	1225748	1225748	0
Exposure for liabilities (B)	1299024	1299024	0
Net exposure (A-B)	5875351	5875351	0

Sensitivity analysis:

Since there is no outstanding amount in foreign currency as on 31.03.2019 and 31.03.2018, 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.

Note No. 2.49:

Standards issued but not yet effective

Ind AS 116 - Leases

Ind AS 116 was issued in June 2017 and will supersede the existing Ind AS 17. Under Ind AS 116, lessee is required to recognize the right-of-use asset and liabilities at present value of lease payments payable on that date for all leases with a term of more than 12 months. As a consequence, lessee will recognize depreciation of the right-of-use asset and interest on lease liability and also present the principal and interest portion in financing activity separately in the cash flow statement. All other requirements of Ind AS 16 Property, Plant & Equipment will apply to right-of-use asset recognized as per Ind AS 116. This standard will come in to force from accounting period commencing on or after 1st April 2019. The Company will adopt the new standard on the required effective date.



EMMESSAR BIOTECH & NUTRITION LTD

29, Kamer Building, 4th floor, 38, Cawasji Patel Street, Fort, Mumbai - 400 001
Tel: 022.49738167/68 Email: enquiries@ebnl.org Site: www.ebnl.org
Investors Grievance Email: 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 27th Annual General Meeting of the Company to be held on Friday 27th September, 2019 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 Nos.

1. Adoption of Directors' Report, Audited financial statements for the year ended 31st March, 2019 and the Auditors' Report thereon.
2. Reappointment of Dr.(Mrs.) Anuradha S. Raghavan (DIN No. 06557718), who retires by rotation.
3. Appointment of V. Sankar Aiyar & Co. Chartered Accountants as Statutory Auditors of the Company
4. Re-appointment of Mr. Ashok Manilal Kadakia as Independent Director for a period of 5 years
5. Re-appointment of Mr. Vijaykumar R. Agrawal as Independent Director for a period of 5 years

Signed this _____ day of _____ 2019.

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



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Investors Grievance Email: investors@ebnl.org CIN No. L24110MH1992PLC065942

27th ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY 27TH SEPTEMBER, 2019 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)

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

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

EVSN (Electronic Voting Sequence Number)	*Default PAN
	USE YOUR PAN

*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.

Emmessar Biotech & Nutrition Ltd

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Fort, Mumbai - 400 001.

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Email: enquiries@ebnl.org

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