



**adinath**  
**Bio-Labs Limited**

CIN : L24230WB1982PLC034492



**37<sup>TH</sup> ANNUAL REPORT 2017-18**

## **C O R P O R A T E I N F O R M A T I O N**

<b>CIN</b>	:	<b>L24230WB1982PLC034492</b>	
<b>Board of Directors</b>	:	<b>Shri Kishan Singh</b> <b>Smt. Sharmila Ranabhat</b> <b>Shri Ganga Sahai</b> <b>Shri Shri Prakash</b>	<b>Whole Time Director</b> <b>Non-Executive Independent Director</b> <b>Non-Executive Independent Director</b> <b>Non-Executive Independent Director</b>
<b>Company Secretary Cum Compliance Officer</b>	:	<b>Shri Mahesh Sunderlal Purohit</b>	
<b>Registered Office</b>	:	<b>4, Netaji Subhas Road, 1st Floor, Kolkata – 700 001 Phone: 033-22315718 Email : investors@adinathbio.com Website: adinathbio.com</b>	
<b>Statutory Auditors</b>	:	<b>M/s. Mohindra Arora &amp; Co., Chartered Accountants, Mumbai</b>	
<b>Internal Auditors</b>	:	<b>M/s. M. H. Parihar &amp; Co. Chartered Accountants, Mumbai</b>	
<b>Bankers</b>	:	<b>HDFC Bank Ltd. ICICI Bank Ltd.</b>	
<b>Secretarial Auditors</b>	:	<b>M/s. Veenit Pal &amp; Associates Company Secretaries, Kolkata</b>	
<b>Registrar &amp; Transfer Agent</b>	:	<b>M/s. Adroit Corporate Services Pvt. Ltd. 19/20 Jaferbhoy Ind. Estate, Makwana Road, Makwana Road, Marol Naka, Andheri (E) Mumbai – 400 059 Phone: (022) 42270400, 28596060 Fax: (022) 28503748 Email: info@adroitcorporate.com Website: <a href="http://www.adroitcorporate.com">www.adroitcorporate.com</a></b>	

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**NOTICE**

**NOTICE** is hereby given that the 37th (Thirty Seventh) Annual General Meeting of **Adinath Bio-Labs Limited** will be held on Monday, 24<sup>th</sup> day of September, 2018 at 02:30 p.m. at O2, VIP Hotel, VIP Road, Kaikhali, Kolkata-700052 to transact the following business.

**Ordinary Business:-**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and Auditors thereon.

**Special Business:-**

2. To consider and if thought to pass with or without modification the following Resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Kishan Singh (DIN: 07526266) who was appointed as Additional Director of the Company by the Board of Directors and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and/ or to make modification as may be deemed to be in the best interest of the Company.”

3. To consider and if thought to pass with or without modification the following Resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule V of the Companies Act, 2013 and Regulation 36 of the SEBI, (Listing Obligations And Disclosures Requirements) Regulations, 2015, as recommended by Nomination And Remuneration Committee, subject to the approval of the members, consent of the Company be and is hereby accorded for the appointment of Shri Kishan Singh (DIN: 07526266) as Whole Time Director of the Company for a period of 5 (Five) years i.e. starting from 02/12/2017 to 01/12/2022 on the terms and condition including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting.”

**NOTICE (Cont....)**

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and/ or to make modification as may be deemed to be in the best interest of the Company.”

4. To consider and if thought to pass with or without modification the following Resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under read with Schedule IV of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Listing Regulation 36 of the SEBI (Listing Obligations And Disclosures Requirements) Regulations, 2015, Shri Ganga Sahai (DIN: 07116838) who was appointed as Additional Director of the Company by the Board of Directors w.e.f. 02/12/2017, in terms of Section 161 of the Companies Act, 2013 whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term of 5 (Five) consecutive year for the period from. 02/12/2017 to 01/12/2022.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and/ or to make modification as may be deemed to be in the best interest of the Company.”

5. To consider and if thought to pass with or without modification the following Resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under read with Schedule IV of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Listing Regulation 36 of the SEBI (Listing Obligations And Disclosures Requirements) Regulations, 2015, Shri Shri Prakash (DIN: 07526354) who was appointed as Additional Director of the Company by the Board of Directors w.e.f. 20/03/2018, in terms of Section 161 of the Companies Act, 2013 whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term of 5 (Five) consecutive year for the period from 20/03/2018 to 19/03/2023.”

**NOTICE (Cont....)**

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and/ or to make modification as may be deemed to be in the best interest of the Company.”

6. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder, the consent of the Company be and is hereby accorded to charge from a member in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode if any request has been made by such member for delivery of such document to him through such mode of service provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and/ or to make modification as may be deemed to be in the best interest of the Company.”

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**By Order of the Board  
For Adinath Bio-Labs Limited**

**Kishan Singh  
(Whole-Time Director)  
(DIN: 07526354)**

**Place :** Kolkata  
**Date :** 11<sup>th</sup> day of August, 2018

**NOTES**

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/ herself and such proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty-eight hours before the commencement of AGM. The Instrument of Proxy in Form MGT 11 to be used in this AGM is enclosed.

Pursuant to Section 105 of the Companies Act, 2013 read with clause 6 of the Secretarial Standard- 2, issued by the Institute of Company Secretaries of India, a person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% (Ten) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (Ten) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Corporate Members/ Societies intending to send their authorized representatives to attend the AGM are requested to send to the Company a duly certified copy of the Board of Directors / Governing Board Resolution together with the specimen signature(s) for authorizing their representative(s) to attend and vote on their behalf at the AGM.
3. The requirement to place the matter relating to appointment of Auditors for ratification by members at every AGM is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the AGM held on 20<sup>th</sup> September, 2017.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote
5. Pursuant to the provision of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books shall remain closed from 18/09/2018 to 24/09/2018 (both days inclusive).
6. Members who are holding the equity under multiple folios in identical order of names are requested to write to the Company / the Registrars to consolidate their holdings in one Folio.
7. Members/ Proxies/ Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of their Annual Report. In case of joint holders attending the Meeting jointly, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

**NOTES (Cont....)**

8. Members holding shares in dematerialized mode are requested to intimate changes with respect to the Bank details, mandate, nomination, power of Attorney, change of address, change in name etc. to their Depository Participants (DP) with whom they are maintaining their demat accounts.. Members holding shares in physical mode are requested to kindly notify immediately change, if any, in their address to the Company or its Registrars and Transfer Agents. These changes will be automatically reflected in company's records, which will help the company to provide efficient and better service to the members.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number ('PAN') by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Registrars and Transfer Agents, M/s. Adroit Corporate Services Pvt. Ltd. 19/20 Jaferbhoy Ind. Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059, Phone: (022) 42270400, 28596060, Fax: (022) 28503748, Email: [info@adroitcorporate.com](mailto:info@adroitcorporate.com), Website: [www.adroitcorporate.com](http://www.adroitcorporate.com).
10. The Equity Shares of the Company is compulsorily required to be held under DEMAT mode for trading on the Stock Exchanges, where such Equity Shares are listed. These can be held in electronic form with any Depository Participant (DP) with whom the members have their Depository Account. All the Members, holding Equity Shares of the Company in the physical form, are advised to get the same dematerialized. The Members may contact the Registrars and Share Transfer Agents of the Company at their address mentioned above in case of any query difficulty in the matter or at the Registered Office of the Company.
11. SEBI has decided that securities of listed companies can be transferred only in dematerialized form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
12. Profile(s) of the Director(s) seeking appointment / re-appointment, as required by Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and clause 1.2.5 of Secretarial Standards – 2 on General Meeting is annexed to this Notice.
13. The relative Statement pursuant to Section 102 of the Companies Act, 2013, with respect to the Special Business set out in Item No. 2, 3, 4, 5 and 6 is annexed hereto. All documents referred to in the Notice and explanatory statements are open for inspection at the registered office of the Company on all working days from 10.00 a. m. to 1.00 p.m., up to the date of the Annual General Meeting.
14. A person who is not a member as on cut-off date should treat this Notice for information purpose only.



**NOTES (Cont....)**

15. Pursuant to Section 101 and 136 of the Act, read with Rule 11 of the Companies (Accounts) Rules, 2014, Electronic copy of the Annual Report for the Financial year 2017-18 inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members who hold shares in dematerialized mode and whose e-mail IDs are registered with their respective DPs, unless any Member has requested for a physical copy of the same. For those members who have not registered their e-mail address, physical copies of the said Annual Report is being sent in the permitted mode.
16. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
17. The Annual Report for F.Y. 2017-18 of the Company circulated to the Members of the Company, shall be made available on the Company's website at [www.adinathbio.com](http://www.adinathbio.com).
18. Members who wish to obtain information concerning the Annual Report of the Company may send their queries at least 7 days before the date of Meeting, to the Company Secretary, at the registered office of the Company.
19. Pursuant to Section 72 of the Companies Act, 2013, Shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agents. In respect of shares held in Demat / Electronic form, the nomination form may be filed with the respective Depository Participant.
20. The Members are requested to contact the Company's Registrars and Share Transfer Agents, Adroit Corporate Services Private Limited, for all their queries, transfer requests, or any other matter relating to their shareholding in the Company and quote their Registered Folio Numbers / Client ID Nos. in all correspondences with the Company / with the Registrars.
21. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
22. Attendance slip, proxy form and the route map of the venue of the Meeting is annexed hereto.

**NOTES (Cont....)**

23. Voting through electronic means:

A remote e-voting facility is provided in terms of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is offering e-voting facility to its Members in respect of the business to be transacted at the Annual General Meeting (AGM) scheduled to be held on Monday, 24th day of September, 2018 at 02:30 p.m. with request to follow the instructions for voting electronically as under:-

Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. September 17, 2018, may obtain the login ID and password by sending a request at [investors@adinathbio.com](mailto:investors@adinathbio.com).

24. The voting rights of shareholders shall be in proportion to their shares of the paid up equity shares capital of the Company.

The instructions for shareholders voting electronically are as under:

- i. The e-voting period begins on Thursday, September 20, 2018 (09.00 A.M.) and ends on Sunday, September 23, 2018 (05.00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. September 17, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on Shareholders.
- v. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

**NOTES (Cont....)**

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other Company on which they are eligible to vote, provide that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- xii. Click on the EVSN for the <Adinath Bio-Labs> on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option Yes implies that you assent to the Resolution and option No implies that you dissent to Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the Resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**NOTES (Cont....)**

- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx. Note for Non-Individuals Shareholders and Custodians
- Non-Individuals Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account (s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**In case of Members receiving the physical copy:**

Please follow all steps from sl. no. (i) to sl. no. (xxi) above to cast vote.

**For members who wish to vote using ballot form:**

In addition to the remote e-voting facility as described above, the Company shall make a voting facility available at the venue of the Annual General Meeting, through polling paper as provided in Section 107 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting.

Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting, but shall not be entitled to cast their vote again.

**NOTES (Cont....)**

**General Instructions:-**

The Board of Director has appointed Mrs. Khushboo Gulgulia (Membership No. 306808) Prop: K. Gulgulia & Co., Practicing Chartered Accountants, (FRN:328690E) as the Scrutinizer to the e-voting process, (including voting through Ballot forms received from Members) and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or to a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

The result declared alongwith the Scrutinizer Report shall be placed on the Company website [www.adinathbio.com](http://www.adinathbio.com) and on the website of CDSL immediately after the declaration of result by the Chairman or by a person duly authorized by him in writing. The results shall also be forwarded to The Calcutta Stock Exchange Ltd, where the equity shares of the Company are listed.

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**By Order of the Board  
For Adinath Bio-Labs Limited**

**Kishan Singh  
(Whole-Time Director)  
(DIN: 07526354)**

**Place : Kolkata  
Date : 11<sup>th</sup> day of August, 2018**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

As required by Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 2 to 6 of the accompanying Notice:

**Item No. 2 & 3 of the Notice:**

The Directors are of the view that appointment of Shri Kishan Singh will be beneficial to the operation of the Company. It is therefore the Board of Directors at their meeting held on 02<sup>nd</sup> December, 2017 appointed Shri Kishan Singh as an Additional Director of Company. In the same meeting, Board has appointed him as Whole Time Director of the Company for five consecutive years for a term upto 2<sup>nd</sup> December, 2022 subject to approval of Shareholders at the ensuing annual General Meeting and based on the recommendations of the Nomination and Remuneration Committee, on the terms and conditions set out in the draft agreement to be entered into with him.

The draft agreement between the Company and Shri. Kishan Singh is available for inspection at the registered office of the Company between 10.00 a.m. to 1.00 p.m. on all working days of the Company (including the day of the Meeting). Remuneration payable will be subject to the approval by the members of the Nomination and Remuneration Committee and the Board of Director of Company from time to time.

A summary of the material terms and conditions relating to appointment of Shri. Kishan Singh as Whole-time Director are as follows:

**(a) Tenure for agreement:**

The appointment of Mr. Kishan Singh has been made for a period of 5 (Five) years commencing from 02/12/2017 to 02/12/2022.

**(b) Nature of duties:**

Mr. Kishan Singh shall perform as Whole-Time Director and exercise such power from time to time be entrusted to him subject to the superintendence and contract of the Board of Directors of the Company.

**(c) Remuneration:**

Salary & Perquisites per month:

-Rs. 15,000/- Salary

-Rs. 5,000/- Other benefits (Perquisites)

None of the Directors, Key Managerial Personnel and their relatives is in any way concerned or interested in the Resolution, except Shri Kishan Singh himself in the Resolution at item no. 2 & 3 of the accompanying Notice.

Accordingly, the Board recommends the resolution in relation to his appointment as Whole Time Director. The Board commends the Resolutions at item No. 2 & 3 for approval of members.

**EXPLANATORY STATEMENT (Cont....)**

Pursuant to Section 190 to the Companies Act, 2013 this may be treated as an abstract of the terms and conditions governing the appointment of Shri Kishan Singh as the “Whole Time Director” of the Company.

**Item No. 4 of the Notice:**

Shri Ganga Sahai was appointed as an Additional Director of the Company with effect from 02/12/2017 In accordance with the provisions of Section 161 of the Companies Act, 2013, Shri Ganga Sahai shall hold office up to the date of the forthcoming Annual General Meeting .The Company has received a notice in writing from a member along with the requisite deposit as required under Section 160 of the Companies Act, 2013, proposing the candidature of Shri Ganga Sahai for the office of Non-Executive Independent Director of the Company.

In the opinion of the Board, Shri Ganga Sahai fulfills the conditions as specified in the Listing Regulation 36 of the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 149 of the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Ganga Sahai as an Independent Director.

Accordingly, the Board recommends the resolution in relation to his appointment as an Independent Director. The Board commends the Resolutions at item No. 4 for approval of members.

Except Shri Ganga Sahai, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise in the Resolution set out at Item no. 4.

**Item No. 5 of the Notice:**

Shri Shri Prakash was appointed as an Additional Director of the Company with effect from 20/03/2018 In accordance with the provisions of Section 161 of the Companies Act, 2013, Shri Shri Prakash shall hold office up to the date of the forthcoming Annual General Meeting .The Company has received a notice in writing from a member along with the requisite deposit as required under Section 160 of the Companies Act, 2013, proposing the candidature of Shri Shri Prakash for the office of Non-Executive Independent Director of the Company.

In the opinion of the Board, Shri Shri Prakash fulfills the conditions as specified in the Listing Regulation 36 of the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 149 of the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Shri Prakash as an Independent Director.

**EXPLANATORY STATEMENT (Cont....)**

Accordingly, the Board recommends the resolution in relation to his appointment as an Independent Director. The Board commends the Resolutions at item No. 5 for approval of members.

Except Shri Shri Prakash, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise in the Resolution set out at Item no. 5.

**Item No. 6 of the Notice:**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, the Board of Directors in their meeting held on 11<sup>th</sup> August, 2018 has proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financially or otherwise, in the said resolution.

Accordingly, the Board recommends the resolution in relation to fixation of charges under section 20 of the Companies Act, 2013. The Board commends the Resolutions at item No. 6 for approval of members.

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**By Order of the Board  
For Adinath Bio-Labs Limited**

**Kishan Singh  
(Whole-Time Director)  
(DIN: 07526354)**

**Place : Kolkata  
Date : 11<sup>th</sup> day of August, 2018**



**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

**(Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards on General Meetings notified on April 23, 2015)**

<b>Name of the Director</b>	Shri Kishan Singh	Shri Ganga Sahai	Shri Shri Prakash
<b>Date of Birth</b>	11/03/1987	22/10/1975	07/09/1984
<b>DIN</b>	07526266	07116838	07526354
<b>Date of Appointment</b>	02/12/2017	02/12/2017	20/03/2018
<b>Qualifications</b>	Graduate	Graduate	Graduate
<b>Expertise in specific functional areas and years</b>	He is having wide experience in the field of Accounts, Finance and Taxation etc.	He is having wide experience in the field of Accounts, Finance and Taxation etc.	He is well qualified and having wide experience in the field of Marketing.
<b>List of other Directorship held</b>	Mavens Biotech Ltd. (L17297WB1981PLC034226)  T. Spiritual World Ltd. (L63040WB1986PLC040796)  Kiev Finance Ltd. (U67120WB1982PLC035507)  Global Finance Corporation Ltd. (U67120WB1982PLC035160)  Jinprabhu Infrastructure Developments Ltd. (U45400WB1984PLC037526)	T. Spiritual World Ltd. (L63040WB1986PLC040796)  Kiev Finance Ltd. (U67120WB1982PLC035507)  Global Finance Corporation Ltd. (U67120WB1982PLC035160)	Jinprabhu Infrastructure Developments Ltd. (U45400WB1984PLC037526)
<b>Chairman/Member of the Audit Committee of the Board of Directors of the other Companies in which he/she is a Director</b>	<b>Member</b> = Jinprabhu Infrastructure Development Limited, Global Finance Limited, T. Spiritual World Ltd. and Mavens Biotech Limited. <b>Chairman</b> = Kiev Finance Limited	<b>Member</b> = Kiev Finance Limited <b>Chairman</b> = Global Finance Corporation Limited and T. Spiritual World Ltd.	<b>Chairman</b> = Jinprabhu Infrastructure Developments Ltd.
<b>Chairman/Member of the Stakeholders Relationship Committee of the Board of Directors of the other Companies in which he/she is a Director</b>	<b>Member</b> = Jinprabhu Infrastructure Development Limited, T. Spiritual World Ltd. and Mavens Biotech Limited. <b>Chairman</b> = Kiev Finance Limited	<b>Member</b> = Kiev Finance Limited <b>Chairman</b> = Global Finance Corporation Limited and T. Spiritual World Ltd.	<b>Chairman</b> = Jinprabhu Infrastructure Developments Ltd.
<b>Shareholding in the Company</b>	NIL	NIL	NIL
<b>Disclosure of relationships between Directors inter-se;</b>	NIL	NIL	NIL
<b>No of Board Meeting Attended during the Financial year</b>	3	3	0
<b>Terms &amp; Conditions of Appointment</b>	As per the resolution at Item No. 2 & 3 of the Notice convening this Meeting.	As per the resolution at Item No. 4 of the Notice convening this Meeting.	As per the resolution at Item No. 5 of the Notice convening this Meeting.

**DIRECTOR'S REPORT**

**Dear Members,**

The Board of Directors are pleased to present the 37th Annual Report together with the Audited Financial Statement of Accounts and Auditor's Report of the Company for the year ended 31st March, 2018.

The Financial Highlights for the year under review are given below:

The financial result of the company for the financial year 2017-18 as compared with the previous year which has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are as follow:

	(₹ In lacs)	
<b>Particulars</b>	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
Total Income	53.79	56.61
Less: Expenses	143.66	41.59
<b>Profit before Depreciation &amp; Taxation</b>	<b>(89.87)</b>	<b>14.41</b>
Less: Depreciation	8.56	11.45
<b>Profit before Taxation</b>	<b>(98.43)</b>	<b>3.57</b>
Less: Taxation	73.23	1.08
<b>Profit after Taxation (Excluding Exceptional Items)</b>	<b>(171.66)</b>	<b>2.49</b>

**Performance**

The Total Income for the financial year under review is ₹ 53.79 lacs against ₹ 56 lacs in previous year. The Net Loss after taxation generated by the company during the year under review was ₹ 171.66 lacs as compared to profit of Rs. 2.07 lacs during the previous year.

**Operation**

The Company is continuously focusing on its existing line of business to improve its profitability in near future.

**Dividend and Transfer To Reserves**

Your Company intends to conserve available resources to invest in the growth of the business and pursue strategic growth opportunities. Accordingly, your Directors do not recommend any dividend for the year. Hence, there has been no transfer to Reserves during the Financial Year 2017-18.

**Public Deposits**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet falling within the purview of provisions of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014. Hence, the requirement for furnishing of details of deposits is not applicable.

**Change in the nature of business**

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

## **DIRECTOR'S REPORT (Cont....)**

### **Compliance with the Indian Accounting Standards**

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2018 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Rule 7 of Companies (Accounts) Rules, 2014. The reconciliations and descriptions of the effect of the previous GAAP to Ind AS has been set out in the Notes to Financial Statements. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, loss, cash flows and change in equity for the year ended March 31, 2018 and for the comparative period.

### **Directors and Key Managerial Personnel (KMP)**

As on March 31, 2018, the Board of Directors of your Company comprised of Four (4) Directors one of whom, Mr. Kishan Singh is the Whole Time Director. The remaining three (3) directors are Non-Executive and Independent directors.

During the year Mr. Abhishek Kumar Jain, Whole-time Director has tendered his resignation letter dated 23<sup>rd</sup> November, 2017, to the board due to his preoccupation in other work. The Board considered and approved his resignation from the post of Whole Time Directorship with effect from 02/12/2017. The Board places on record its gratitude for the services rendered by him during the tenure as Whole-time Director of the Company.

The Board of Directors at their meeting held on 02/12/2017, and on recommendation of the Nomination and Remuneration Committee appointed Mr. Kishan Singh as an Additional Director of Company. In the same meeting, Board has appointed him as Whole Time Director of the Company for five consecutive years up to 1<sup>st</sup> December, 2022 subject to approval of Shareholders on item No. 2 & 3 of Notice for the ensuing Annual General Meeting, on the terms and conditions set out in the draft agreement to be entered into with him.

During the year Mr. Manoj Kumar Bothra (Non-executive Independent Director) have tendered his resignation letter dated 23/11/2017, to the board due to personal reason. The Board considered and approved his resignation from the post of Non-executive Independent Directorship with effect from 02/12/2017. The Board places on record its gratitude for the services rendered by him during his tenure as an Independent Director of the Company.

Mrs. Chanderkala Devi Lakhotia (Non-executive Independent Director) have tendered her resignation letter dated 16/09/2018, to the board due to personal reason. The Board considered and approved his resignation from the post of Non-executive Independent Directorship with effect from 20/03/2018. The Board places on record its gratitude for the services rendered by him during his tenure as an Independent Director of the Company.

### **DIRECTOR'S REPORT (Cont....)**

Shri Ganga Sahai have been appointed as Additional Director w.e.f. 02/12/2017 and being act as Independent Directors. Further, your Board has proposed to appoint Shri Ganga Sahai as Non-executive Independent Director for consecutive 5 (Five) years for the period from 02/12/2017 to 01/12/2022 and in terms Listing Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 149 of the Companies Act, 2013. The resolutions seeking approval of members on item No. 4 of notice for convening the Annual General Meeting along with the requisite disclosures/explanatory statement are included.

Shri Shri Prakash have been appointed as Additional Director w.e.f. 20/03/2018 and being act as Independent Directors. Further, your Board has proposed to appoint Shri Shri Prakash as Non-executive Independent Director for consecutive 5 (Five) years for the period from 20/03/2018 to 19/03/2023 and in terms Listing Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 149 of the Companies Act, 2013. The resolutions seeking approval of members on item No. 5 of notice for convening the Annual General Meeting along with the requisite disclosures/explanatory statement are included.

Mr. Mahesh Sunderlal Purohit, (KMP) has tendered his resignation letter dated 21/09/2017, to the board from the post of Company Secretary cum Compliance officer. The Board has considered and approved his resignation in their meeting held on 28/09/2017 with effect from 25/09/2017. The Board places on record its gratitude for the services rendered by him during the tenure as Company Secretary cum Compliance officer of the Company.

Appropriate resolutions for appointment /re-appointment are being placed for the approval of the shareholders of the Company at the ensuing AGM. The brief resume of directors appointed/re-appointed and other related information has been detailed in the Notice read along with the explanatory statement convening the 37th AGM of the Company in accordance with the provisions of the Companies Act, 2013 read with the Rules issued there under and the Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

#### **Policy on Directors Appointment & Remuneration**

The Company's policy on Director's Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 has been disclosed in the Corporate Governance Report, which forms the part of this report.

#### **Remuneration of Directors, Key Managerial Personnel and Particulars of Employees**

The Remuneration paid to Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force). The salient aspects covered in Nomination and Remuneration Policy has been outlined in the Corporate Governance Report which forms a part of this report.

#### **Disclosure under Section 197(12) of the Companies Act, 2013**

The Company has not employed any employees whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **DIRECTOR'S REPORT (Cont....)**

### **Committee of the Board:**

The Board of Directors has following Committee

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholder Relationship Committee
4. Risk Management Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

### **Statement concerning development and implementation of Risk Management Policy of the Company**

The Board of Directors of the Company has framed (constituted) a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically address through mitigation action on a continuing basis. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board Report.

### **Directors Responsibility Statement**

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable Indian Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2018 and of the profits of the company for the year ended on that date;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act 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. the directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively;
- vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Declaration of Independent Directors**

The Company has received necessary declaration from each of Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and the relevant Rule and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **DIRECTOR'S REPORT (Cont....)**

### **Number of Meeting of the Board**

During the year under review 8 (Eight) Meetings of the Board of Directors were held. The relevant details, including composition of the Board, date of meetings, attendance and composition of various Committees of the Board are given in the Corporate Governance Report which forms part of this report. The details regarding the composition of various committees are also available on the Company's website: [www.adinathbio.com](http://www.adinathbio.com).

### **Disclosure regarding Company's policies under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Company has framed various policies as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Companies Act, 2013; viz i) Remuneration regarding Independent Directors ii) Determining material subsidiary iii) Performance evolution of the Board, Committee and Directors, iv) Materiality of Related Party transactions, v) Whistle Blower/vigil Mechanism vi) Archival Policy for disclosure vii) Code of Conduct for Directors viii) Policy of Preservation of Documents ix) Policy on Criteria for Determining Materiality of Events are displayed on the website of the Company [www.adinathbio.com](http://www.adinathbio.com).

### **Extract of Annual Return**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March, 2018 made under the provisions of Section 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and administration) Rules, 2014 in Form No. MGT-9 is furnished in Annexure-I and is attached to this report.

### **Details of policy developed and implemented by the Company on its Corporate Social Responsibility Initiatives**

Since the Company does not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company.

### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Board has carried out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated.

The Performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors at their separate Meeting.

The Board of Directors expressed its satisfaction with the evaluation process.

## **DIRECTOR'S REPORT (Cont....)**

### **Vigil Mechanism/ Whistle Blower Policy**

Your company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. These have been outlined in the Corporate Governance Report which forms part of this report.

### **Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013**

The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made and outstanding at the year-end, details of which are given in the Financial Statements. There were no loans or guarantees made by the Company during the year under review.

### **Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the Going Concern status and Company's operation in future**

There are no significant and material orders issued against the Company by any regulating authority or court or tribunal affecting the going concern status and Company's operation in future. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

Except the notice issued by BSE's, regulating authority, dated 28th Feb., 2017 in which the trading in the securities of the Company had been suspended with effect from 08th March, 2017, earlier which was permitted under "INDONEXT / Permitted Category" and thereafter the delisting order for the same was issued on 29th March, 2017 with effect from 31st March, 2017. Accordingly, the company stands delisted from the BSE w.e.f. 31st March, 2017.

### **Particulars of Contracts or Arrangements made with Related Parties**

There were no contracts or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review and hence enclosure of FORM AOC-2 with the Board Report is not required. The Company has developed a Related Party Transactions Policy for the purpose of identification and monitoring of such type of transactions.

### **Subsidiaries, Joint Ventures and Associate Companies**

The Company does not have any Subsidiary, Joint venture or Associate Company.

### **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") are given in a separate section and forms part of the Annual Report.

**DIRECTOR'S REPORT (Cont....)**

**Auditors & Auditors Observations**

The matter related to Auditors and their Reports are as under:

**1. Statutory Auditor and their Report:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 ("the Act") and the Rules made thereunder, M/s. Mohindra Arora & Co., Chartered Accountants (FRN: 006551N), was appointed as the statutory auditors of the Company to hold office for a period of five consecutive year from the conclusion of the 33<sup>rd</sup> Annual General Meeting which was held on 25<sup>th</sup> August, 2014 till the conclusion of the 38<sup>th</sup> Annual General Meeting to be held in the year 2019.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every AGM is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi.

**Explanations or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Statutory Auditors in their Report:**

The Report given by the Statutory Auditors for the Financial Statements for the year ended 31st March, 2018 read with explanatory notes thereon do not call for any explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The remarks, if any, made by the Auditors in their Report are properly explained in the Note no 23 of the Financial Statement.

**2. Secretarial Auditors and their Report:**

M/s. Vineet Pal & Associates, Practicing Company Secretary was appointed to conduct Secretarial Audit of the Company for the financial year 2017-18 as required under Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The report of the Secretarial Auditors in Form MR-3 is enclosed as **Annexure-II** to this report.

The report confirms that the Company had complied with the statutory provisions listed under Form MR -3 and the Company also has proper board processes and compliance mechanism.

The Report do contain qualifications, reservation or adverse remark for which further comments or explanations are provided below:

- *The Company is in the process of appointing a Chief Financial Officer and a Company Secretary.*

**3. Internal Auditor:**

The Members of Board has appointed M/s. S.R. Ghedia & Associates, (FRN 118560W) Chartered Accountant, as Internal Auditors of the Company for Financial Year 2017-18 at their meeting on 20<sup>th</sup> March, 2018 under provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 as recommended by Audit Committee. Further M/s. S. R. Ghedia & Associates (FRN 118560W), Chartered Accountant, Internal Auditor has tendered their resignation letter dated 04th April, 2018 to the Board due to pre-occupation in other assignments. Board has approved resignation in their meeting on 30th May, 2018.



### **DIRECTOR'S REPORT (Cont....)**

The Members of Board has appointed M/s. M. H. Parihar & Co. (FRN 130070W) Chartered Accountant, as Internal Auditors of the Company for Financial Year 2017-18 at their meeting on 30th May, 2018 under provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 as recommended by Audit Committee.

The Suggestions made by the Internal Auditor in their Report were acknowledged.

#### **Corporate Governance**

The Company conforms to the norms of Corporate Governance as envisaged in the Listing Regulations with the Stock Exchange. Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, a detailed Compliance Note on Corporate Governance together with the Auditors Certificate on Corporate Governance is annexed to this report.

#### **Material Changes and Commitments, if any, affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relates and the date of the report**

There are no material changes and commitments affecting the financial position of the Company occurred between ends of the financial year to which this financial statement relates on the date of this report.

#### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:-**

The provisions of Section 134(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts), Rules 2014 do not apply to our Company.

Conservation of Energy	:	NIL
Technology Absorption	:	NIL
Foreign exchange earnings and out go	:	NIL

#### **Transfer of Unclaimed Dividend To Investor Education And Protection Fund**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The details of unclaimed/ unpaid dividend are available on the website of the Company viz. [www.adinathbio.com](http://www.adinathbio.com).

Your company has transferred an amount of ₹ 2,53,485/- to Investors Education and Protection Fund established by the Central Government in the terms of Companies Act, 2013. The Unclaimed/ Unpaid Dividend amount was outstanding since Financial Year ended 31st March, 2010.

#### **Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years**

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus,

### **DIRECTOR'S REPORT (Cont....)**

etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules.

The Company has sent out individual communication to the concerned Members whose shares were liable to be transferred to IEPFA to take immediate action in the matter. As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their shares for a period of 7 years to claim the same from the Company before they are transferred to IEPFA.

The Company has transferred 705,780 number of shares to IEPFA as on 19<sup>th</sup> March, 2018.

#### **Listing of Securities**

The Equity Shares of your Company are listed with The Calcutta Stock Exchange (CSE) Limited. Listing fees has been paid to The Calcutta Stock Exchange Ltd. in pursuance to Regulation 14 of the Listing Regulation.

#### **Shares**

The Authorized Share capital and the paid up Equity Share Capital have remained unchanged during the year under review. The Company has neither issued shares & Securities or any other instruments nor any corporate benefits during the year under review.

1. The Company has not bought back any of its securities during the year under review.
2. The Company has not issued any Sweat Equity Shares during the year under review.
3. No Bonus Shares were issued during the year under review.
4. The Company has not provided any Stock Option Scheme to the employees.

#### **Code of Conduct**

As prescribed under Listing Regulation, a declaration signed by the Whole Time Director affirming compliance with the Code of Conduct by the Directors and Senior Management Personnel of the Company for the financial year 2016-17 forms part of the Governance Report.

#### **Reporting of Frauds**

During the year under review, the Statutory Auditors and Secretarial Auditors have not reported to the Audit Committee and / or Board any instances of fraud committed in the Company by its officers or employees under Section 143(12) of the Companies Act, 2013.

#### **Internal Financial Control and their adequacy**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has developed well-defined internal control mechanisms and comprehensive internal audit program with the activities of the entire organization under its ambit. Further, based on the report of Internal Audit function, corrective action are undertaken in the respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

### **DIRECTOR'S REPORT (Cont....)**

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

#### **Human Resources**

Human Resources Development envisages the growth of the individual in tandem with the organization. It also aims at the up-liftment of the individual by ensuring an enabling environment to develop capabilities and to optimize performance. Your Directors want to place on record their appreciation for the contribution made by employees at all levels, who through their steadfastness, solidarity and with their co-operation and support have made it possible for the Company to achieve its current status.

The Company, on its part, would endeavor to tap individual talents and through various initiatives, ingrain in our human resources, a sense of job satisfaction that would, with time, percolates down the line. It is also the endeavor of the Company to create in its employees a sense of belonging, and an environment that promotes openness, creativity and innovation.

All the manpower initiatives including training, meetings and brainstorming sessions are implemented with the aim of maximizing productivity and aligning organizational needs employee's aspirations.

#### **Additional Information to Shareholders**

All important and pertinent investor information such as financial results, investor presentations, press releases are made available on the Company's website i.e. [www.adinathbio.com](http://www.adinathbio.com) on a regular basis.

#### **Disclosure under The Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2017-18.

No of complaints received	:	Nil
No of complaints disposed off	:	Nil

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**DIRECTOR'S REPORT (Cont....)****Acknowledgement**

The Directors wish to place on record their appreciation for the contributions made by the employees at all levels, whose continued commitment and dedication helped the Company achieve better results. The Directors also wish to thank customers, bankers, Central and State Governments for their continued support. Finally, your directors would like to express their sincere & whole-hearted gratitude to all of you for your faith in us and your Co-operation & never failing support.

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**By Order of the Board  
For Adinath Bio-Labs Limited**

**Kishan Singh  
(Whole-Time Director)  
(DIN: 07526354)**

**Place : Kolkata  
Date : 11<sup>th</sup> day of August, 2018**

**Annexure to the Directors' Report  
Annexure I**

<p><b>Form No. MGT-9</b>  <b>EXTRACT OF ANNUAL RETURN</b>  <b>As on the financial year ended on 31/03/2018</b>  <b>of</b>  <b>Adinath Bio-labs Ltd.</b>  <b>[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the</b>  <b>Companies (Management and Administration) Rules, 2014]</b></p>
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**I. REGISTRATION AND OTHER DETAILS**

<b>i)</b>	<b>CIN</b>	L24230WB1982PLC034492
<b>ii)</b>	<b>Registration Date [DDMMYY]</b>	29/01/1982
<b>iii)</b>	<b>Name of the Company</b>	Adinath Bio-Labs Limited
<b>iv)</b>	<b>Category / Sub-Category of the Company</b>	Public Company Limited by Shares
<b>v)</b>	<b>Address of the Registered Office and Contact details</b>	4, N. S. Road, Kolkata - 700 001 Phone: 033 – 2231 5718
<b>vi)</b>	<b>Whether listed Company (Yes / No)</b>	Yes
<b>vii)</b>	<b>Name, Address and Contact details of Registrar &amp; Transfer Agents, if any</b>	M/s. Adroit Corporate Services Pvt. Ltd. 19/20 Jaferbhoy Ind. Estate, Makwana Road, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059 Phone: (022) 42270400, 28596060 Fax: (022) 28503748 Email: info@adroitcorporate.com Website: www.adroitcorporate.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Commodities and it's allied products	N.A.	8.70%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S.NO.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% Of Shares Held	Applicable Section
NONE					

**ANNEXURE TO THE DIRECTORS' REPORT (Cont....)**

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held As on 01/04/2017				No. of Shares held As on 31/03/2018				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter's</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	56838005	-	56838005	25.75%	56838005	-	56838005	25.75%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any Other	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) Director	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Director Relatives	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1) :-</b>	<b>56838005</b>		<b>56838005</b>	<b>25.75%</b>	<b>56838005</b>		<b>56838005</b>	<b>25.75%</b>	<b>0.00%</b>
<b>(2) Foreign</b>									
a) NRIs- Individual	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other - Individual	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any Other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2) :-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total shareholding of Promoter (A)(1)+(A)(2)</b>	<b>56838005</b>	<b>-</b>	<b>56838005</b>	<b>25.75%</b>	<b>56838005</b>	<b>-</b>	<b>56838005</b>	<b>25.75%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
1. Institution	-	-	-	0.00%	-	-	-	0.00%	0.00%
a) Mutual Fund	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	200000	-	200000	0.09%	0.09%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Other (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (B) (1) :-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.09%</b>	<b>200000</b>	<b>-</b>	<b>200000</b>	<b>0.09%</b>	<b>0.09%</b>

**ANNEXURE TO THE DIRECTORS' REPORT (Cont....)**

**Category-wise Share Holding (Cont....)**

Category of Shareholders	No. of Shares held As on 01/04/2017				No. of Shares held As on 31/03/2018				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institution</b>									
a) Bodies Corp.									
i) Indian	39328908	29800000	69128908	31.32%	37985857	29800000	67785857	30.71%	(0.61%)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh (Previous year Rs.1 lakh)	3575949	21042	35780451	16.21%	35881456	21054	35902510	16.26%	0.05%
ii) Individual shareholders holding nominal share capital in excess of 2 lakh (Previous year Rs.1 lakh)	50125196	6400000	56525196	25.61%	50439977	6400000	56839977	25.75%	0.14%
b) Other (specify)									
Trusts	4832	-	4832	0.00%	4832	-	4832	0.00%	0.00%
HUFs	-	-	-	-	-	-	-	-	-
NRIs (Non- Repat)	2465168	-	2465168	1.12%	2462803	-	2462803	1.12%	0.00%
NRIs (Repat)	-	-	-	-	-	-	-	-	-
Clearing Members	501	-	501	0.00%	-	-	-	-	0.00%
Corporate Body - Broker	-	-	-	0.00%	2796	-	2796	0.00%	0.00%
Investor Education and Protection Fund Authority	-	-	-	0.00%	705780	-	705780	0.32%	0.32%
<b>Sub Total (B) (2) :-</b>	<b>127683513</b>	<b>36221042</b>	<b>163904555</b>	<b>74.25%</b>	<b>127483501</b>	<b>36221054</b>	<b>163704555</b>	<b>74.16</b>	<b>(0.09)%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>127683513</b>	<b>36221042</b>	<b>163904555</b>	<b>74.25%</b>	<b>127683501</b>	<b>36221054</b>	<b>163904555</b>	<b>74.25</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Grand Total (A+B+C)</b>	<b>184521518</b>	<b>36221042</b>	<b>220742560</b>	<b>100%</b>	<b>184521506</b>	<b>36221054</b>	<b>220742560</b>	<b>100%</b>	<b>0.00%</b>

Note: Negative percentage are represented in brackets.

**ANNEXURE TO THE DIRECTORS' REPORT (Cont....)**

**(ii) Shareholding of Promoter:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			%change in shareholding during the year
		No. of Shares	% of total shares of the Company	%of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	%of Shares Pledged/encumbered to total shares	
1	Pramukhsoft Technologies Pvt Ltd	14843200	6.72%	0.00%	14843200	6.72%	0.00%	0.00%
2	Rajasthan Horticulture Pvt Ltd	10800000	4.89%	0.00%	10800000	4.89%	0.00%	0.00%
3	Nigania Promoters Pvt Ltd	9600000	4.35%	0.00%	9600000	4.35%	0.00%	0.00%
4	Jayant Securities Pvt Ltd	8002805	3.63%	0.00%	8002805	3.63%	0.00%	0.00%
5	Sunil Exports Pvt Ltd	7000000	3.17%	0.00%	7000000	3.17%	0.00%	0.00%
6	Sil Leasing & Industrial Finance Pvt Ltd	6592000	2.99%	0.00%	6592000	2.99%	0.00%	0.00%
<b>Total</b>		<b>56838005</b>	<b>25.75%</b>	<b>0.00%</b>	<b>56838005</b>	<b>25.75%</b>	<b>0.00%</b>	<b>0.00%</b>

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

There is no change in promoter's shareholding during F.Y.2017-18.

**(iv) Shareholding Pattern of top ten Shareholders:**

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Umesh Kumar Thaker	At the beginning of the year	11987683	5.43%	11987683	5.43%
		Changes during the year	No changes during the year			
		At the end of the year	11987683	5.43%	11987683	5.43%
2	Bhanwari Devi Bhansali	At the beginning of the year	7000000	3.17%	7000000	3.17%
		Changes during the year	No changes during the year			
		At the end of the year	7000000	3.17%	7000000	3.17%
3	Jai Hind Marmo Pvt Ltd	At the beginning of the year	6861753	3.11%	6861753	3.11%
		Changes during the year	No changes during the year			
		At the end of the year	6861753	3.11%	6861753	3.11%
4	Exxon Financial Services Ltd	At the beginning of the year	6800000	3.08%	6800000	3.08%
		Changes during the year	No changes during the year			
		At the end of the year	6800000	3.08%	6800000	3.08%
5	Himachal Futuristic Communications Ltd	At the beginning of the year	6408000	2.90%	6408000	2.90%
		Changes during the year	No changes during the year			
		At the end of the year	6408000	2.90%	6408000	2.90%
6	Baldev Singh	At the beginning of the year	6000000	2.72%	6000000	2.72%
		Changes during the year	No changes during the year			
		At the end of the year	6000000	2.72%	6000000	2.72%
7	Arifbhai Smailbhai Memon	At the beginning of the year	5605735	2.54%	5605735	2.54%
		Changes during the year	No changes during the year			
		At the end of the year	5605735	2.54%	5605735	2.54%
8	Zipsy Tie-up Services Pvt Ltd	At the beginning of the year	5000000	2.27%	5000000	2.27%
		Changes during the year	No changes during the year			
		At the end of the year	5000000	2.27%	5000000	2.27%
9	Arav Trading Company Pvt Ltd	At the beginning of the year	5000000	2.27%	5000000	2.27%
		Changes during the year	No changes during the year			
		At the end of the year	5000000	2.27%	5000000	2.27%
10	Krepton Traders Pvt Ltd	At the beginning of the year	5012486	2.27%	5012486	2.27%
		Changes during the year	No changes during the year			
		At the end of the year	5012486	2.27%	5012486	2.27%



**ANNEXURE TO THE DIRECTORS' REPORT (Cont....)**

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

None of the Directors or KMP's are holding equity shares of the Company.

**V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

Company was not having any secured loans/unsecured loans and deposits during the financial year 2017-18.

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

**A. Remuneration to Managing Director, Whole Time Director or Manager**

**(Amt. in ₹)**

Sl. No.	Particulars of Remuneration	Name of Whole Time Director	
		Abhishek Kumar Jain*	Kishan Singh*
	Gross salary		
1	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	200000/-	60000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	80000/-	20000/-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - Others, specify	Nil	Nil
5	Others, please specify		
<b>Total</b>		<b>280000/-</b>	<b>80000/-</b>

**Ceiling as per the Act:** As per Schedule V of the Companies Act, 2013

\*Shri Abhishek Kumar Jain Resigned from the post of WTD and Shri Kishan Singh was appointed as WTD w.e.f 02/12/2017

**B. Remuneration to other directors:**

**(Amt. in ₹)**

Sl. No.	Particulars of Remuneration	Name of Directors							Total (Amt. in Rs.)
		Abhishek Kumar Jain*	Manoj Kumar Bothra*	Chanderkala Devi Lakhotia ^	Sharmila Ranabhat	Kishan Singh*	Ganga Sahai*	Shri Prakash^	
1.	Independent Directors								
	Fee for attending Board Committee Meetings	-	5000	-	9500	-	4500	1000	20000
	Commission	-	-	-	-	-	-	-	-
	Others, Please Specify	-	-	-	-	-	-	-	-
	Total (1)	-	5000	-	9500	-	4500	1000	20000
2.	Other Non- Executive Directors								
	Fee for attending Board Committee Meetings	-	-	8500	-	-	-	-	8500
	Commission	-	-	-	-	-	-	-	-
	Others, Please Specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	8500	-	-	-	-	8500
	Total (B)=(1+2)	-	5000	8500	9500	-	4500	1000	28500
<b>Total Managerial Remuneration</b>		<b>28500</b>							
<b>Overall Ceiling as per the Act</b>		(Sitting Fees paid is within the limits specified under the Companies Act, 2013)							

**ANNEXURE TO THE DIRECTORS' REPORT (Cont....)**

\* Shri Abhishek Kumar Jain and Shri Manoj Kumar Bothra resigned from their post of directorship and Shri Kishan Singh & Shri Ganga Sahai were appointed on board w.e.f 02/12/2017.

^ Smt. Chanderkala Devi Lakhotia resigned from her post and Shri Shri Prakash was appointed on board w.e.f 20/03/18.

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

**(Amt. in ₹)**

Sl. No.	Particulars of Remuneration	Mahesh Purohit (Resigned w.e.f. 25/09/2017)
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	245717/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	NIL
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission	NIL
	- as % of profit	NIL
	-others, specify...	NIL
5	Others, please specify	NIL
	<b>Total</b>	<b>245717/-</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					

**Annexure to the Director's Report**  
**Annexure-II**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the Financial Year Ended 31st March, 2018**  
(Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule No. 9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014)

To,  
The Members,  
**Adinath Bio-Labs Limited**  
CIN: L24230WB1982PLC034492  
4, Netaji Subhas Road, 1st Floor,  
Kolkata – 700 001

I have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Adinath Bio-Labs Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit , I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March,2018 ("Audit Period") generally 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 31st March, 2018 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(The Company has not availed any Foreign Direct Investment and External Commercial Borrowings during the Period under review).**
- (v) The following Regulations (as amended from time to time) 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;

**SECRETARIAL AUDIT REPORT (Cont....)**

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period as the Company has not made any issue prescribed under Rule 3 of the said Regulations);**
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 **(Not applicable to the Company during the Audit Period as the Company does not have any Employees Stock Option Scheme and Employee Stock Purchases Scheme under review);**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation 2008 **(Not applicable to the Company during the Audit Period as the Company has not issued any debt securities under review);**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review);**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period as the Company has not delisted / propose to delist its Equity Shares from any Stock Exchange during the financial year under review);**
  - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period as the Company has not bought back /nor proposed to buy-back any of its securities during the financial year under review);** and
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other Laws applicable to the Company namely:  
The Directors of the Company informed and certified that there are no other applicable laws that are specifically applicable to the Company based on nature of business. However, they have represented that the Company has complied with the provision of other laws as applicable to following viz. Income Tax Act, 1961, Services Tax Rules, 1994, The Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

- i. Secretarial Standards issued by 'The Institute of Company Secretaries of India' effective from 01<sup>st</sup> July, 2015 under the provision Companies Act, 2013;
- ii. The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Limited pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**SECRETARIAL AUDIT REPORT (Cont....)****I further report that:**

1. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors, if any that took place during the period under review were carried out in compliance with the provisions of the Act.
2. *During the Audit Period, the Company has not appointed the Chief Financial Officer and Company Secretary (CS since 25/09/2017) as Key Managerial Personnel, pursuant to Section 203 of the Act and Rules made there under. The Management has represented that the compliance with the Act and Rules thereon are under process and CFO as well as CS will be appointed in near future.*
3. 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.
4. All the decisions at the Board meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committee of the Board, as the case may be.

**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 that pertain to the business operations of the Company.

**I further report that**, during the audit period, SEBI has issued notice to the Company. The Company is complying regularly with the queries and requirements if any, from time to time with the concerned stock exchange or SEBI. Management has represented that the Company will overcome the current scenario.

**I further report that**, during the audit period, the Company has no other specific events/actions having a major bearing on the Company s' affair in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc except mentioned above.

This report is to be read with my letter of event date which is annexed as Appendix-1 and forms and integral part of this Report.

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**For Veenit Pal & Associates  
Company Secretaries**

**Veenit Pal  
(Proprietor)**

**ACS : 25565  
CP : 13149**

**Place : Mumbai  
Date : 31/07/2018**

**Appendix-1**  
**(Forming Part of Secretarial Audit Report)**

To,  
The Members,  
**Adinath Biolabs Limited**  
CIN: L24230WB1982PLC034492  
4, Netaji Subhas Road, 1st Floor,  
Kolkata – 700 001

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My 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 my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. 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 the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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**For Veenit Pal & Associates**  
**Company Secretaries**

**Veenit Pal**  
**(Proprietor)**

**ACS : 25565**  
**CP : 13149**

**Place : Mumbai**  
**Date : 31/07/2018**

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**CORPORATE GOVERNANCE****Company's Philosophy on Code Of Governance**

Corporate Governance represents the value frame work, rules, practices by which accompany conducts its business activities, corporate governance essentially involves balancing the interests of many stakeholders in a company which include its shareholders, management, customers, government, lenders, creditors, and employees. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act"). These codes are available on the Company's website. Your Company is complying of various Regulation of Listing Agreement and Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015 aligned with Companies Act, 2013, details of which are given below;

**Board of Directors**

The Composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the Companies Act, 2013 read with Rules made there under.

As on March 31, 2018, the Board of Directors of the Company consists of Four (4) Directors one of whom is the Whole Time Director. The remaining three (3) directors are Non-Executive and Independent directors which includes one Women Director.

During the year Mr. Abhishek Kumar Jain, Whole-time Director has tendered his resignation letter dated 23rd November, 2017, to the board due to his preoccupation in other work. The Board considered and approved his resignation from the post of Whole Time Directorship with effect from 02/12/2017. The Board places on record its gratitude for the services rendered by him during the tenure as Whole-time Director of the Company.

The Board of Directors at their meeting held on 02/12/2017, and on recommendation of the Nomination and Remuneration Committee appointed Mr. Kishan Singh as an Additional Director of Company. In the same meeting, Board has appointed him as Whole Time Director of the Company for five consecutive years up to 1st December, 2022 subject to approval of Shareholders on item No. 2 & 3 of Notice for the ensuing Annual General Meeting, on the terms and conditions set out in the draft agreement to be entered into with him.

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**CORPORATE GOVERNANCE (Cont....)**

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During the year Mr. Manoj Kumar Bothra (Non-executive Independent Director) have tendered his resignation letter dated 23/11/2017, to the board due to personal reason. The Board considered and approved his resignation from the post of Non-executive Independent Directorship with effect from 02/12/2017. The Board places on record its gratitude for the services rendered by him during his tenure as an Independent Director of the Company.

Mrs. Chanderkala Devi Lakhota (Non-executive Independent Director) have tendered her resignation letter dated 16/09/2018, to the board due to personal reason. The Board considered and approved his resignation from the post of Non-executive Independent Directorship with effect from 20/03/2018. The Board places on record its gratitude for the services rendered by him during his tenure as an Independent Director of the Company.

Shri Ganga Sahai have been appointed as Additional Director w.e.f. 02/12/2017 and being act as Independent Directors. Further, your Board has proposed to appoint Shri Ganga Sahai as Non-executive Independent Director for consecutive 5 (Five) years for the period from 02/12/2017 to 01/12/2022 and in terms Listing Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 149 of the Companies Act, 2013. The resolutions seeking approval of members on item No. 4 of notice for convening the Annual General Meeting along with the requisite disclosures/explanatory statement are included.

Shri Shri Prakash have been appointed as Additional Director w.e.f. 20/03/2018 and being act as Independent Directors. Further, your Board has proposed to appoint Shri Shri Prakash as Non-executive Independent Director for consecutive 5 (Five) years for the period from 20/03/2018 to 19/03/2023 and in terms Listing Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 149 of the Companies Act, 2013. The resolutions seeking approval of members on item No. 5 of notice for convening the Annual General Meeting along with the requisite disclosures/explanatory statement are included.

They have wide experience in their respective field such as legal, management, finance, marketing, accounts and taxation etc.

**Board of Independence**

The Non-Executive Independent Directors fulfill the conditions of independence as specified in Section 149 of Companies Act, 2013 and Rules made there under Listing Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, none of the Independent Director is serving more than seven listed companies. The Company has issued a letter of appointment to all the Independent Directors of the Company.



**CORPORATE GOVERNANCE (Cont....)**

**Board Meetings**

Board Meetings are conducted in accordance with the Rules made under Companies Act, 2013 and as per requirements of Listing Regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company.

The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors in advance to facilitate the Directors to plan their schedules. The Minutes of Board Meetings are also circulated in advance to all Directors and confirmed at subsequent Meetings.

The Board reviews the performance of the Company.

The Directors have disclosed to the Company about the committee positions they occupy in other companies and have notified changes as and when they take place.

The important decisions taken at the Board/ Board Committee Meetings are communicated to the concerned department.

**Details of Board Meetings**

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other normal business. During the Financial Year 2017-18, 8 (eight) Board Meetings were held on 26<sup>th</sup> May, 2017, 5<sup>th</sup> August, 2017, 13<sup>th</sup> September, 2017, 28<sup>th</sup> September, 2017, 2<sup>nd</sup> December, 2017, 13<sup>th</sup> December, 2017, 13<sup>th</sup> February, 2018 and 20<sup>th</sup> March, 2018. Time gap between any two meetings was not more than 120 days.

The attendance of the Directors at the Board Meetings, Annual General Meeting, as also number of Directorship in Indian Public Limited Companies and Membership of the Committees of the Boards of such Companies are as follows:

<b>Names of Director</b>	<b>Category</b>	<b>No. of Board Meeting Attended</b>	<b>Attendance at Last AGM</b>	<b>No. of other Directorship*</b>	<b>No. of other Committee Membership**</b>
Shri Abhishek Kumar Jain (DIN: 00054582)	WTD	5	Yes	NIL	NIL
Shri Manoj Kumar Bothra (DIN: 00780987)	NEID	5	Yes	NIL	NIL
Smt. Chanderkala Devi Lakhota (DIN: 06904489)	NED	8	Not Present	NIL	NIL
Smt. Sharmila Ranabhat (DIN: 06987476)	NEID	8	Not Present	NIL	Member - 2
Shri Kishan Singh (DIN: 07526266)	WTD	3	NA	5	Member – 7 Chairman - 2
Shri Ganga Sahai (DIN: 07116838)	NEID	3	NA	3	Member – 2 Chairman - 4

**CORPORATE GOVERNANCE (Cont....)**

**Details of Board Meetings (Cont....)**

Names of Director	Category	No. of Board Meeting Attended	Attendance at Last AGM	No. of other Directorship*	No. of other Committee Membership**
Shri Shri Prakash (DIN: 07526354)	NEID	0	NA	1	Member -0 Chairman - 2

**Note:**

1. *Shri Kishan Singh has been inducted in the Board as Whole Time Director w.e.f. 02/12/2017 and Shri Abhishek Kumar Jain resigned from the post of Whole time Directorship w.e.f. 02/12/2017.*
2. *Shri Ganga Sahai has been inducted in the Board w.e.f. 02/12/2017 and Shri Manoj Kumar Bothra have resigned from the post of Directorship w.e.f. 02/12/2017.*
3. *Shri Shri Prakash has been inducted in the Board w.e.f. 20/03/2018 and Smt. Chanderkala Devi Lakhotia have resigned from the post of Directorship w.e.f. 20/03/2018.*

**Abbreviations used above:**

Whole Time Director – WTD; Non-Executive Director – NED and Non-Executive Independent Director – NEID

\*Other directorships do not include alternate directorships, directorships of Private Limited Companies, Section 8 companies and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit and Shareholders / Investors Grievance Committees of public limited companies.

\*\*For the purpose of reckoning the limit on committee positions, chairmanship I membership of the Audit Committee and the Stakeholders Relationship Committee are considered.

None of the Directors is related to any other Director of the Company within the meaning of Section 2(77) of the Companies Act, 2013 and rules thereof.

The particulars of Directors, who are proposed to be appointed / reappointed at the ensuing Annual General Meeting, are given in the Notice convening the Annual General Meeting.

The Board periodically reviews the compliance report of all laws applicable to the Company. All the Directors have made necessary disclosures about the directorships and committee positions they occupy in other companies. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all Companies in which they are Directors.

The Board has established procedure to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non – compliances.

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**CORPORATE GOVERNANCE (Cont....)**

**Meeting of Independent Director**

As stipulated by the Code of Independent Directors under Listing Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 aligned with Companies Act, 2013, a separate Meeting of the Independent Directors of the Company was held on 20/03/2018 to review the performance of Non-Independent Directors, Chairman and the Board as whole.

The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

The Board also carried out evaluation of its various Committees and the Directors expressed their satisfaction with the evaluation process.

**Audit Committee**

The Board has constituted a well-qualified Audit Committee.

The Audit Committee comprises of three Non-Executive Independent Directors.

The Committee has appointed Shri Shri Prakash as the Chairman.

All the members of the Audit Committee are literate and possess necessary expertise in finance, accounting, etc.

The Whole Time Director attended the meetings of the Audit Committee.

The representatives of the Statutory Auditors and the Internal Auditors were invited and attended the meetings of the Audit Committee.

The Audit Committee has met five times during the financial year 2017-18 and not more than 120 days has elapsed between two such Meetings.

The Meetings held during the financial year 2017-18 on the following dates 25/05/2017, 12/09/2017, 12/12/2017, 12/02/2018 & 20/03/2018.

The Chairman of the Audit Committee was present at the 36th Annual General Meeting of the Company. The Audit Committee acts as a link between the Management, the Statutory Auditors, Internal Auditors and the Board of Directors.

The terms of reference of the Audit Committee covers the matters specified under Regulation 18 of the Listing Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Act.

**A. The Audit Committee has the following powers, roles and terms of reference:**

- Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommendation for Appointment, Remuneration and Terms of Appointment of Auditors of the Company;

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**CORPORATE GOVERNANCE (Cont....)**

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- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of clause (C) of sub section (3) of Section 134 of the Companies Act, 2013
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries, if any involving estimates based on the exercise of judgment by management;
  - significant adjustments, if any made in the financial statements arising out of audit findings;
  - compliance with accounting Standards, listing and other legal requirements relating to financial statements;
  - disclosure of related party transactions, if any ;
- Reviewing with the Management, the Quarterly Financial Statements before submission to the Board for approval;
- Reviewing and monitoring the Auditors independence and performance, and effectiveness of audit process;
- Scrutiny of Inter-corporate loans and investments, if any;
- Evaluation of Company's Internal Financial Control and Risk Management Systems;
- Reviewing with the Management about performance of statutory and Internal auditors, adequacy of the internal control systems;
- Discussion with Internal Auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing the functioning of the Whistle Blower Mechanism;
- Approval of Appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- To carry out any other function as is mentioned in the terms of reference of the audit committee as amended from time to time of Listing Regulation of the SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.

**CORPORATE GOVERNANCE (Cont....)**

**B. The Audit Committee shall mandatorily review the following information:**

- Management Discussion and Analysis of financial condition and results of operations;
- To review Statement of Related party transactions, if any, as submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal Audit Reports relating to Internal Control Weaknesses;
- The Appointment, Removal and terms of Remuneration of the Internal Auditor.
- Quarterly Statement of deviations to be submitted to stock exchange(s) in terms of Regulation 32(1).

The details of composition of the Committee and attendance during the year 2017-18 are as under:

Names of Directors	Executive/ Non-Executive/ Independent	No. of Meetings held during the period	
		Held	Attended
Shri Manoj Kumar Bothra*	Non-Executive Independent Chairman	5	2
Smt. Chanderkala Devi Lakhotia*	Non-Executive	5	5
Smt. Sharmila Ranabhat	Non-Executive Independent	5	5
Shri Ganga Sahai**	Non-Executive Independent	5	3
Shri Shri Prakash**	Non-Executive Independent Chairman	5	0

\*Shri Manoj Kumar Bothra ceased to be Chairman of Audit Committee w.e.f. 02/12/2017 and Smt. Chanderkala Devi ceased to be Member of Audit Committee w.e.f. 20/03/2018.

\*\*Shri Ganga Sahai has been elected as Chairman in place of Shri Manoj Kumar Bothra w.e.f. 02/12/2017.

\*\*Shri Shri Prakash has been elected as Chairman in place of Shri Ganga Sahai w.e.f. 21/03/2018 and Shri Ganga Sahai has been elected as members of Audit Committee w.e.f. that date.

The Quorum for the Committee is any two Directors present.

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The Committee consists of three Directors namely Shri Ganga Sahai, Shri Shri Prakash and Smt. Sharmila Ranabhat.

The Committee has appointed Mr. Shri Prakash as Chairman of the Committee w.e.f 21/02/2018.

There is no pecuniary relationship or transaction of the Company with its Non-Executive Directors/ Independent Directors.

During the Financial Year 2017-18, 2(two) Nomination and Remuneration Committee Meetings was held on 02/12/2017 and 20/03/2018.

**CORPORATE GOVERNANCE (Cont....)**

The details of composition of the Committee and attendance during the year 2017-18 are as under:

Names of Directors	Executive/ Non-Executive/ Independent	No. of Meetings held during the period	
		Held	Attended
Shri Manoj Kumar Bothra*	Non-Executive Independent Chairman	2	1
Smt. Chanderkala Devi Lakhotia*	Non-Executive	2	2
Smt. Sharmila Ranabhat	Non-Executive Independent	2	2
Shri Ganga Sahai**	Non-Executive Independent	2	1
Shri Shri Prakash**	Non-Executive Independent Chairman	2	0

\*Shri Manoj Kumar Bothra has ceased to be Chairman of Nomination and Remuneration Committee w.e.f. 02/12/2017 and Smt. Chanderkala Devi have ceased to be Member of Nomination and Remuneration Committee w.e.f. 20/03/2018.

\*\*Shri Ganga Sahai has been elected as Chairman in place of Shri Manoj Kumar Bothra w.e.f. 02/12/2017 of Nomination and Remuneration Committee.

\*\*Shri Shri Prakash has been elected as Chairman in place of Shri Ganga Sahai w.e.f. 21/03/2018 and Shri Ganga Sahai has been elected as members of Nomination and Remuneration Committee w.e.f. that date.

**Brief about remuneration policy**

Your Company has formulated a policy on Nomination and Remuneration of Directors and Key Managerial Personnel and the major points relating to Remuneration policy are as under:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal;
- To carry out evaluation of every Director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- To formulate the criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To recommend/review remuneration of the Executive and Non-executive Director and Whole-time Director(s) based on their performance and defined assessment criteria;
- To recommend/ approve remuneration of Non-Executive Director/ Independent Director/ Executive Director in the form of sitting fees for attending the Meeting of the Board and its Committee and remuneration for other services etc;
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable;

**CORPORATE GOVERNANCE (Cont....)**

- To perform such other functions as may be necessary or appropriate for the performance of its duties.

At present, no remuneration is paid to Non-Executive/ Independents Directors of the Company except sitting fees for attending the Meetings of the Board and Committee thereof.

The remuneration paid to Whole time Director is decided by the Board of Directors within the limits laid down under the provisions of the Companies Act, 2013 subject to approval of the members, in general meeting.

There is no pecuniary relationship or transaction of the Company with its Non- Executive Directors/ Independent Directors.

The detailed Appointment Policy adopted by the Company is being posted on website of the Company [www.adinathbio.com](http://www.adinathbio.com).

**Remuneration of Whole Time Director**

The detail of remuneration of Whole-Time Director is as under:

Names of Director	Salary cum Allowances	Stock Options	Other Benefits	Service Contract Tenure
Shri Abhishek Kumar Jain *	₹ 280000/-	Nil	Nil	3 Years
Shri Kishan Singh ^	₹ 80000/-	Nil	Nil	5 Years

*Note: \*Resignation/ ^Appointment w.e.f. 02/12/2017*

**Remuneration of Key Managerial Personnel's**

The details of remuneration of Key Managerial Personnel's are as under:

Name of KMPs	Designation	Salary Cum Allowances	Stock Options & Other Benefits
Shri Mahesh Sunderlal Purohit (Resigned w.e.f.25/09/2017)	Company Secretary	₹ 245717/-	Nil

**Stakeholders Relationship Committee**

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Listing Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The Stakeholders Relationship Committee comprises of three members of the committee, who are Non-Executive and Independent Directors, namely Shri Ganga Sahai, Shri Shri Prakash and Smt. Sharmila Ranabhat.

Shri Shri Prakash elected as Chairman of the Stakeholders Relationship Committee.

The Committee deals with stakeholder relations and resolves the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, issue of duplicate certificates/ new certificates on split/consolidation/ renewal etc., non-receipt of annual report and such other issues as may be raised by the investors from time to time.

**CORPORATE GOVERNANCE (Cont....)**

The details of transfer/ transmission of shares are placed before the meeting of the Board of Directors on a regular basis.

The Committee supervises the mechanism for redressal of investor grievances and ensures cordial relations. The Company has also displayed the said email ID on its website for the use of investors.

The total numbers of complaints received and redressed during the year ended 31st March, 2018 were Nil. There were no complaint of Investors pending or unattended as on 31st March, 2018.

During the Financial Year 2017-18, 2(two) Stakeholders Relationship Committee Meetings was held on 24/08/2017 and 10/10/2017.

The details of composition of the Committee and attendance during the year 2017-18 are as under:

Names of Directors	Executive/ Non-Executive/ Independent	No. of Meetings held during the period	
		Held	Attended
Shri Manoj Kumar Bothra*	Non-Executive Independent Chairman	2	2
Smt. Chanderkala Devi Lakhotia*	Non-Executive	2	2
Smt. Sharmila Ranabhat	Non-Executive Independent	2	2
Shri Ganga Sahai**	Non-Executive Independent	NA	NA
Shri Shri Prakash**	Non-Executive Independent Chairman	NA	NA

\*Shri Manoj Kumar Bothra has ceased to be Chairman of Stakeholders Relationship Committee w.e.f. 02/12/2017 and Smt. Chanderkala Devi have ceased to be Member of Stakeholders Relationship Committee w.e.f. 20/03/2018.

\*\*Shri Ganga Sahai has been elected as Chairman in place of Shri Manoj Kumar Bothra w.e.f. 02/12/2017 of Stakeholders Relationship Committee.

\*\*Shri Shri Prakash has been elected as Chairman in place of Shri Ganga Sahai w.e.f. 21/03/2018 and Shri Ganga Sahai has been elected as members of Stakeholders Relationship Committee w.e.f. that date.

**Declaration by Independent Directors**

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that he/ she meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Evaluation of Board Performance**

During the year, the Board has adopted a formal mechanism for evaluating the performance of its Directors as well as that of its Committees and Individual Directors, including the Chairman of the Board. The exercise was carried out by the Independent Directors of the Company through a structured evaluation process covering several aspects of functioning of the Board i.e. attendance, contribution at the meetings and otherwise, independent judgements, safeguarding interest of the minority stakeholders, composition of Board/ Committees, performance of specific duties and obligation by members of the Board etc.

The Board of Directors expressed its satisfaction with the evaluation process.



**CORPORATE GOVERNANCE (Cont....)**

**Board Diversity Policy**

In compliances with the provision of the Listing Regulations, 2015, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity.

The objective of the Policy is to ensure that the Board comprises adequate number of members with diverse experience and skills, experience, such that it best serves the governance and strategic needs of the Company leading to competitive advantage. The Board composition at present meets with the above objective.

**Risk Management Committee**

The Risk Management Committee of the Board has been constituted in the manner prescribed in Listing Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee is responsible to lay down the procedures to inform the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

During the year, one meeting of the committee was held on 20/03/2018.

Shri Ganga Sahai and Smt. Sharmila Ranabhat are members of the Committee.

Shri Shri Prakash elected as Chairman of the Committee

The details of composition of the Committee and attendance during the year 2017-18 are as under:

Names of Directors	Executive/ Non-Executive/ Independent	No. of Meetings held during the period	
		Held	Attended
Shri Manoj Kumar Bothra*	Non-Executive Independent Chairman	1	1
Smt. Chanderkala Devi Lakhotia*	Non-Executive	1	1
Smt. Sharmila Ranabhat	Non-Executive Independent	1	1
Shri Ganga Sahai**	Non-Executive Independent	NA	NA
Shri Shri Prakash**	Non-Executive Independent Chairman	NA	NA

\*Shri Manoj Kumar Bothra has ceased to be Chairman of the Committee w.e.f. 02/12/2017 and Smt. Chanderkala Devi have ceased to be Member of the Committee w.e.f. 20/03/2018.

\*\*Shri Ganga Sahai has been elected as Chairman in place of Shri Manoj Kumar Bothra w.e.f. 02/12/2017 of the Committee.

\*\*Shri Shri Prakash has been elected as Chairman in place of Shri Ganga Sahai w.e.f. 21/03/2018 and Shri Ganga Sahai has been elected as members of the Committee w.e.f. that date.

**CORPORATE GOVERNANCE (Cont....)**

**General Body Meeting**

The last three Annual General Meeting was held as per details given below:

Year	Address	Date	Day	Time	Special Resolution
16-17	O2, VIP Hotel, VIP Road, Kaikhali, Kolkata- 700 052	20/09/2017	Wednesday	11:30 A.M.	Not Applicable
15-16	Celesta Hotel, RAA-43/2, Raghunathpur, VIP Road, Kolkata- 700 059	26/09/2016	Monday	03:00 P.M.	Not Applicable
14-15	Orbit Hotel, RB- 29, Raghunathpur, VIP Road, Kolkata- 700 059	28/09/2015	Monday	10:00 A.M.	a. for increase in limits specified u/s. 186 of the Companies Act, 2013 upto Rs. 40 Crores.  b. Adoption of new set of Articles of Association

During the year under review, no Special Resolution has been passed through exercise of Postal Ballot.

In the Annual General Meeting held on 20th September, 2017 all the resolutions were adopted through Poll/ Postal Ballot or by Electronic Voting. The members have the options to vote either by physical ballot or e- voting.

**Prevention of Insider Trading**

To comply with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a code of internal procedures for prevention of any unauthorized trading in the shares of the Company by the insiders.

**Code of Conduct**

In compliance with Listing Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted the code of conduct and ethics. The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. All the Board Members and senior management personnel have affirmed compliance with the code of conduct.

**Familiarisation Program**

Whenever any person joins the Board of the Company as an Independent Director, an induction program is arranged for the new appointee, wherein the appointee is familiarised with the Company, his/her roles, rights and responsibilities in the Company, the Code of Conduct of the Company to be adhered, nature of the industry in which the Company operates, and business model of the Company etc. The details of such familiarisation program have been disclosed on the Company website i.e. [www.adinathbio.com](http://www.adinathbio.com).

**Disclosure**

The Company has complied with all requirements of the Listing Regulation entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed either by SEBI or Stock Exchange or any Statutory Authority for non-compliance of any matter related to the Capital Markets during the last three years.

### **CORPORATE GOVERNANCE (Cont....)**

There are no significant transaction with the related parties namely, promoters / Directors or the management, their Associates or relatives etc. that may have a conflicting with the interest of the Company.

The Company has not raised any proceeds from public issue, rights issue, and preferential issue and also not issued any GDRs /ADRs /Warrants/ Equity share or any Convertible instruments or any other instruments during the year under review.

The guidelines/ Indian Accounting Standards (IND AS) lay down by the Institute of Chartered Accountants of India and prescribed under Section 133 of the Companies Act, 2013 have been followed in preparation of financial statements of the company in all material respects.

The Company does not have any subsidiary.

The Board of Directors has adopted the Vigil Mechanism / Whistle Blower Policy. The Policy has provided a mechanism for Directors, Employees and other persons dealing with the Company to report to the Chairman of the Audit Committee, any instance of unethical behavior, actual or suspected fraud or violation of the Code of Conduct of the Company.

The Company has complied with all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The non -mandatory requirements, to the extent followed by the company have been stated in this report.

#### **Secretarial Audit**

A qualified Practicing Company Secretary carried out secretarial audit to reconcile the total admitted Equity Share Capital with National Securities Depository Limited and the Central Depository Services Limited and the total issued and Listed Equity Share Capital. The Secretarial Audit Report confirms that the total Issued / Paid up Capital is in agreement with the total number of shares in physical form and the total number of dematerialized share held with NSDL and CDSL.

#### **Means of Communication**

Timely disclosure of the information on Corporate financial performance and the corporate developments is a sign of good governance practice which Company follows.

##### **a. Publication of quarterly results**

The quarterly/half yearly and Audited Financial Results of the Company are published in leading English/Bengali (Regional) newspapers.

##### **b. Website and Newspaper**

In compliance with the provisions of the Listing Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company are available on the Company's website [www.adinathbio.com](http://www.adinathbio.com).

##### **c. Stock Exchange**

The Company makes timely disclosures of necessary information to CSE Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

**CORPORATE GOVERNANCE (Cont....)**

**d. Reminders to Investors**

Reminders to shareholders for claiming returned undelivered share certificates, unclaimed dividend and transfer of shares thereto, email registration, are regularly communicated and despatched.

The information is also made available to the investors on the Company website: [www.adinathbio.com](http://www.adinathbio.com).

**Whole Time Director Certification**

The Whole Time Director has given appropriate certification to the Board as required Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Share Transfer System**

The Shares of the Company, being in the compulsory Demat list, are transferable through the Depository System. Shares in physical & dematerialized form are processed through M/s. Adroit Corporate Services Private Limited, Mumbai. Shares lodged for transfer at the Registrar's address are normally processed and approved by the Share transfer cum Stake Holders Grievances Committee on fortnight basis. All requests for dematerialization of Shares are processed and the confirmation is given to the Depositories within 15 days. Grievance received from members & other miscellaneous correspondence on change of address etc. is processed by the Registrar within 30 days.

Further, SEBI has decided that securities of listed companies can be transferred only in dematerialized form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

**Nomination**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agents.

**Income Tax Pan Mandatory for Transfer of Securities**

As per Regulation 40(7) read with Schedule VII of the Listing Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the list identity for registration of transfer of securities.

**Dematerialization of Shares**

As on 31st March, 2018, 83.59 % i.e. 184521506 Equity Shares of Company share capital are dematerialized and balance of 16.41% % i.e. 36221054 Equity Shares is held in physical form. In order to facilitate the investors to have an easy access to demat system, the Company has joined with both depositories viz. National Security Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) through the Company Registrar & Share Transfer Agent, M/s. Adroit Corporate Services Private Limited, Mumbai.

**CORPORATE GOVERNANCE (Cont....)**

**General Shareholders Information**

**a) Compliance Officer:**

Mr. Kishan Singh  
4, Netaji Subhas Road, 1st Floor,  
Kolkata – 700 001  
Tel: 033-22315718

**b) Date, Time & Venue of the Annual General Meeting of Shareholders:**

24th day of September, 2018 at 02:30 p.m. at O2, VIP Hotel, VIP Road, Kaikhali, Kolkata-700052

**c) Particulars of Financial Calendar:**

First Quarter Results	:	within 45 days from the end of first quarter
Second Quarter Results	:	within 45 days from the end of second quarter
Third Quarter Results	:	within 45 days from the end of third quarter
Financial Year Results	:	within 60 days from the end of financial year

**d) Dates of Book Closure** : 18/09/2018 to 24/09/2018

**e) Dividend Payment** : NIL

**f) Listing on Stock Exchanges:**

The Calcutta Stock Exchange Limited, Kolkata. Annual Listing Fee has been paid for financial year 2018-2019 to CSE

**g) Stock Exchange Codes** : 10012130 (CSE)

**h) Demat ISIN in NSDL and CDSL** : INE129D01039

**i) Corporate Identity Number (CIN)** : L24230WB1982PLC034492

**j) Registrar and Share transfer Agent:**  
(For Physical & Demat Segment)

M/s. Adroit Corporate Services Pvt. Ltd.  
19/20 Jaferbhoy Ind. Estate, Makwana Road,  
Makwana Road, Marol Naka, Andheri (E),  
Mumbai – 400 059  
Phone: (022) 42270400, 28596060  
Fax: (022) 28503748  
Email: info@adroitcorporate.com  
Website: www.adroitcorporate.com

**k) Market price data of shares traded, High / Low of Market Price of Company share:**

In absence of trade at The Calcutta Stock Exchange, data pertaining to Market price range between high and low during each month in the financial year 2017-18 has not been provided.

**CORPORATE GOVERNANCE (Cont....)**

**Distribution of Shareholdings**

Categories of shareholders as on 31/03/2018

Category	No. of Shareholders	No. of Shares	% of Equity Capital
Promoters	6	56838005	25.75%
Other Bodies Corporate	101	68699265	31.12%
Individual	5737	95205290	43.13%
<b>Total</b>	<b>5844</b>	<b>220742560</b>	<b>100.00%</b>

No. of Equity Share held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 500	1866	31.93	430706	0.20
501 - 1000	1048	17.93	990931	0.45
1001 - 2000	706	12.08	1240547	0.56
2001 - 3000	367	6.28	1007797	0.46
3001 - 4000	176	3.01	656001	0.30
4001 - 5000	403	6.90	1981394	0.90
5001 - 10000	504	8.62	4227347	1.92
10001 - 20000	302	5.17	4647668	2.11
20001 - 50000	256	4.38	8371562	3.79
50001 & Above	216	3.70	197188607	89.33
<b>Total</b>	<b>5844</b>	<b>100%</b>	<b>220742560</b>	<b>100%</b>

**Note:** Distribution / Categories of Shareholdings as given above are on folio no(s) wise, whereas Share Holding Pattern, pursuant to Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide circular No. CIR/CFD/CMD/13/2016 dated 30th November, 2015, filed with Stock Exchanges were consolidated on the basis of the PAN, to avoid multiple disclosures of shareholding of the same person.

**Declaration of Code of Conduct**

This is to confirm that the Company has adopted a code of conduct for the members of the Board and the Senior Management Personnel in compliance with Listing Regulations 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, aligned with Companies Act, 2013. I hereby confirm that the Board and the Senior Management Personnel of the Company have complied with the code of conduct in respect of the financial year ended 31.03.2018.

**By Order of the Board  
For Adinath Bio-Labs Limited**

**Kishan Singh  
(Whole-Time Director)  
(DIN: 07526354)**

**Place : Kolkata  
Date : 11th day of August, 2018**

**Whole Time Director Certification**

To,  
**The Board of Directors,  
Adinath Bio-Labs Limited**

I, the undersigned, in my capacity as Whole Time Director of Adinath Bio - Labs Limited, to the best of our knowledge and belief certify that;

1. I have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief, we state that:
  - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
  - II. these statement together present a true and fair view of the Company's Affairs and are in compliance with the existing accounting standard, applicable laws and regulations.
2. I further state that, to the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended 31st March, 2018, which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or purpose to take to rectify these deficiencies.
4. I have indicated, to the Auditors and the Audit Committee:
  - I. that there have been no significant changes in internal control over financial reporting during the year;
  - II. that there have been no significant changes in accounting policies during the year; and
  - III. that there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or employees having a significant role in the Company's internal control systems over financial reporting.

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**By Order of the Board  
For Adinath Bio-Labs Limited**

**Kishan Singh  
(Whole-Time Director)  
(DIN: 07526354)**

**Place : Kolkata  
Date : 11th day of August, 2018**

**INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To,**

**The Members**

**Adinath Bio-Labs Limited**

We have examined the compliance of conditions of Corporate Governance by Adinath Bio-Labs Limited ("the Company") for the year ended on 31st March, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

**Managements' Responsibility: -**

The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

**Auditor's Responsibility: -**

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



**INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE (Cont....)**

**Opinion: -**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2018, to the extent possible and as applicable to it.

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

**Restrictions on use: -**

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

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**For Mohindra Arora & Co.  
(Chartered Accountants)  
(FRN: 006551N)**

**(C.A Umesh Kumar Mohindra)  
Partner  
Membership No: 009965**

**Place : Kolkata  
Date : August 11, 2018**

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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Listing Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 aligned with Companies Act, 2013, the Management Discussion & Analysis Report for the year under review is given below;

**ECONOMIC SCENARIO:**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure.

India's merchandise exports and imports grew 11.02 per cent and 21.04 per cent on a y-o-y basis to US\$ 273.73 billion and US\$ 416.87 billion, respectively, during April-February 2017-18.

India's Foreign Direct Investment (FDI) inflows reached US\$ 208.99 billion during April 2014 - December 2017, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.

**MARKET ENVIRONMENT:**

Adinath Bio-labs Limited is engaged in the business of trading in commodities and its allied products and dealing other concern activities with an excellent track record of growth in the Indian domestic market. The Company adherence to strong business ethics and transparent corporate policies, with a stable political environment, this is probably the most conducive period for a steady pace of implementation of policy reforms.

**REVIEW OF OPERATION:**

The Company operates mainly in Indian Market. The management of Adinath Bio-Labs Limited presents the analysis of performance of the Company for the Financial Year 2017-2018 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments. The Company has incurred capital losses during the year due to reduction in fair valuation of the financials instruments and financial assets.

During the year under review, the Company achieved the total revenue of ₹ 53.79 lacs. Around 9% of the total revenue was generated from business operations.

Outlook for 2018-19, Your Company is planning to develop business through diversification mixed with sustain efforts in the present business line. The Board is hopeful for achieving good income & profitability in years to come.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Cont....)**

**BUSINESS SEGMENT:**

During the year, the Company is into the business of trading in commodities and its allied products and also dealing other concern activities.

**OPPORTUNITIES AND THREATS:**

**Opportunities**

- a) Favorable Government regulations
- b) Favorable macro-economies and micro-economies conditions
- c) Niche for growth

**Threats**

- a) Competition in the Indian market from large traders
- b) Geographically located in East India and presently not covering pan India
- c) Imports from China and other cost effective labour countries
- d) Increase cost of operations
- e) Increase in cost of logistics

**RISK AND CONCERNS:**

Uncertainties in business offer opportunities and downside risks. Consequently, the Company recognizes the importance of well-structured system to identify and manage the different elements of risk.

Pressure on margins, high manpower and infrastructure cost, availability of substitutes, higher overheads, are some factors which could impact adversely especially as we strive to tap into the competitive markets.

**BASIS OF PREPARATION AND PRESENTATION OF OUR FINANCIAL STATEMENTS:**

The Financial Statements have been prepared and presented under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting and comply with the applicable accounting standards referred to in the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has adequate internal control procedure commensurate with its size and nature of the business. The nature control system is supplemented by extensive internal audit s regular review by the management and well documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statement and other data. Moreover, the Company continuously upgrades these systems in line with best accounting practices. The Company has independent audit system to monitor the entire operation and the audit committee of the Board reviews the findings and recommendation of the internal auditors

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Cont....)****HUMAN RESOURCES:**

Human Resources Development envisages the growth of the individual in tandem with the organization. It also aims at the Up-liftment of the individual by ensuring an enabling environment to develop capabilities and to optimize performance.

Your Directors want to place on record their appreciation for the contribution made by employees at all levels, who through their steadfastness, solidarity and with their co-operation and support have made it possible for the Company to achieve its current status.

The Company, on its part, would endeavor to tap individual talents and through various initiatives, ingrain in our human resources, a sense of job satisfaction that would, with time, percolates down the line. It is also the endeavor of the Company to create in its employees a sense of belonging, and an environment that promotes openness, creativity and innovation.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:**

Our professionals and employees are our most important assets. We believe that the quality and level of service that they deliver is a huge contributing factor in growth and development of the Company. Further, for better management certain alterations were made in the top management and other hierarchies in the Company.

**DISCLOSURE OF ACCOUNTING TREATMENT:**

In preparation of its financial statement no accounting treatment different from that prescribed in the accounting standard has been followed.

**DISCUSSION OF FINANCIAL PERFORMANCE:**

Directors of your Company are very hopeful to build up the performance of the company and post better results in the forthcoming financial year and to add value to the shareholders. The Company is hopeful of improving its turnover and bottom line and hopeful of posting better revenue ahead. Financial Highlights with respect to Operational Performance is as under:

Particulars	₹ in Lacs except EPS)		
	2017-18	2016-17	2015-16
Profit/ -Loss Before Tax	-629.99	56.00	99.72
Profit/ -Loss After Tax	-703.22	2.07	14.37
Earning Per Share (EPS)	-0.32	0.00	0.01

**CAUTIONARY STATEMENT:**

Statements made in the 'Management Discussion and Analysis Report' describing the Companies' objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement important factors that influence the Company's operations, include global and domestic supply and demand conditions. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speak only of their dates.

**INDEPENDENT AUDITORS' REPORT**

To,  
The Members of  
Adinath Bio-Labs Limited

**Report on the Financial Statements: -**

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

**Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("IND AS") specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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.

**Auditor's Responsibility: -**

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

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

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

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

**INDEPENDENT AUDITORS' REPORT (Cont....)**

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion: -**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**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 Act, we give in "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, based on our audit, we report, to the extent applicable that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The standalone financial statements dealt with by this Report are in agreement with the relevant books of account;
  - d. In our opinion, the aforesaid 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 written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g. With respect to 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 have any material impact on its financial Position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

**INDEPENDENT AUDITORS' REPORT (Cont....)**

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For, Mohindra Arora & Co.  
Chartered Accountants  
Firm registration No: 006551N**

**Ashok Kumar Katial  
Partner  
Membership No: 09096**

Place: Kolkata  
Date: May 30, 2018

**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT**

**(Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date)**

- i. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.
  - c. According to the information and explanations given to us, there are no immovable properties owned by the Company under Fixed Assets. Accordingly, paragraph 3 (i) (c) of the Order is not applicable to the Company.
- ii. As informed to us, Inventories have been physically verified by the Management at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clauses (iii) (a) to (c) of paragraph 3 of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the company has not provided any loans, guarantees or securities which fall under the purview of Section 185 of the Companies Act, 2013. The Company has complied with the provisions of Section 186 of the Act, in respect of investments made and outstanding at the year- end.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, in terms of the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub - section (1) of Section 148 of the Companies Act, 2013 in respect of the activities carried on by the Company. Accordingly, clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
  - a. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable to the Company with the appropriate authorities.



**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT (Cont....)**

According to the information and explanations given to us, no undisputed amounts payable 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 became payable except Income Tax dues upto 31st March, 2017 amounting to Rs. 11,45,498/-.

- b. According to the records of the Company, there are no dues of sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute other than the Income Tax. According to the Information and explanations given to us, the dues in respect of Income Tax that has not been deposited with appropriate authorities on account of dispute and the forum where the disputes are pending are given below:

Name of the Statute	Nature of Dues	Period to which it relates	Amount in ₹ (Incl. Interest)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	A.Y.:2009-10	11241440	CIT (Appeal)
		A.Y.:2010-11	17776100	
		A.Y.:2011-12	28831060	
		A.Y.:2013-14	10017800	
		A.Y.:2014-15	10587480	

- viii. The Company has not raised/ obtained any loans or borrowings from financial institutions or banks or government or by issue of debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us and based on audit procedures performed and representations obtained from the management, we report that no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year under audit.
- xi. According to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requirements of the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us, during the year under review, the Company has not entered into any transaction with Related Parties that require approval under Section 177 and Section 188 of the Companies Act, 2013 and the Rules made thereunder. Accordingly, paragraph 3(xiii) of the Order is not applicable to the Company.

**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT (Cont....)**

- xiv. During the year under review, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors, hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934.

**For, Mohindra Arora & Co.  
Chartered Accountants  
Firm registration No: 006551N**

**Ashok Kumar Katial  
Partner  
Membership No: 09096**

Place: Kolkata  
Date: May 30, 2018

**“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT**

**(Referred to in paragraph 2(f) under the heading ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date)**

**Independent Auditors’ 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 Adinath Bio-Labs Limited (“the Company”), as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls: -**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the 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.

**“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT (Cont....)**

**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 authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, 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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Mohindra Arora & Co.  
Chartered Accountants  
Firm registration No: 006551N**

**Ashok Kumar Katial  
Partner  
Membership No: 09096**

Place: Kolkata  
Date: May 30, 2018

**BALANCE SHEET AS AT 31ST MARCH 2018**

Particulars	Note No.	As at 31st March 2018 ₹	As at 31st March 2017 ₹	As at 1st April 2016 ₹
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	26,04,105	44,19,117	55,63,897
Capital work-in-progress	2	-	1,86,56,065	1,86,56,065
Intangible assets		-	-	-
<b>Financial assets</b>				
Investments	3	3,25,003	53,87,499	35,70,932
Other financial assets	4	8,02,32,694	11,11,77,694	11,11,77,694
Other non-current assets				
Deferred tax assets (net)				
<b>Total Non-Current Assets</b>		<b>8,31,61,802</b>	<b>13,96,40,375</b>	<b>13,89,68,588</b>
<b>Current assets</b>				
Inventories	5	-	70,38,265	70,38,265
<b>Financial assets</b>				
Trade receivable	6	62,04,269	62,04,269	62,04,269
Cash and cash equivalents	7	93,325	2,63,814	7,82,908
Loans & Advances	8	25,20,000	25,30,000	25,30,000
Other financial assets	9	34,79,360	25,17,000	25,17,000
Other current assets		-	-	-
<b>Total Current Assets</b>		<b>1,22,96,954</b>	<b>1,85,53,348</b>	<b>1,90,72,442</b>
<b>Total Assets</b>		<b>9,54,58,756</b>	<b>15,81,93,723</b>	<b>15,80,41,030</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	10	22,07,42,560	22,07,42,560	22,07,42,560
Other Equity	11	(13,46,82,347)	(6,43,60,473)	(6,46,10,293)
<b>Total equity</b>		<b>8,60,60,213</b>	<b>15,63,82,087</b>	<b>15,61,32,267</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings		-	-	-
Other financial liabilities		-	-	-
Deferred tax liabilities (net)	12	1,76,016	1,55,323	1,45,738
<b>Total Non- Current Liabilities</b>		<b>1,76,016</b>	<b>1,55,323</b>	<b>1,45,738</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings		-	-	-
Trade payables		-	-	-
Other financial liabilities		-	-	-
Other current liabilities	13	7,75,212	3,28,235	4,50,947
Provisions	14	-	64,000	1,46,000
Current tax liabilities	15	84,47,315	12,64,078	11,66,078
<b>Total Current Liabilities</b>		<b>92,22,527</b>	<b>16,56,313</b>	<b>17,63,025</b>
<b>Total Equity and Liabilities</b>		<b>9,54,58,756</b>	<b>15,81,93,723</b>	<b>15,80,41,030</b>

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For M/s. Mohindra Arora & Co.**  
Firm Registration Number - 006551N  
Chartered Accountants

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

**Ashok Kumar Katial**  
Partner  
Membership No. 09096

Kishan Singh  
(Whole Time Director)  
Din: 07526266

Ganga Sahai  
(Director)  
Din: 07116838

Place: Kolkata

Date: 30th day of May, 2018

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2018**

Particulars	Note No.	For the Year Ended	For the Year Ended
		31st March, 2018	31st March, 2017
		₹	₹
<b>Income:</b>			
Revenue from Operations (Gross)	16	4,68,461	55,81,586
Other Income	17	49,10,573	79,367
<b>Total Revenue</b>		<b>53,79,034</b>	<b>56,60,953</b>
<b>Expenses:</b>			
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	18	70,38,265	-
Employee Benefit Expenses	19	10,63,835	22,27,355
Depreciation and Amortisation Expenses	20	8,56,166	11,44,780
Finance Cost		-	-
Other Expenses	21	62,64,067	19,31,413
<b>Total Expenses</b>		<b>1,52,22,333</b>	<b>53,03,548</b>
<b>Profit before Exceptional Items and Tax</b>		<b>(98,43,299)</b>	<b>3,57,405</b>
<b>Exceptional Items</b>	22	5,31,56,065	-
<b>Profit before Tax</b>		<b>(6,29,99,364)</b>	<b>3,57,405</b>
<b>Tax Expense:</b>			
-Current Tax		-	98,000
-Deferred Tax	12	20,693	9,585
-Tax in respect of Earlier years		73,01,817	-
<b>Total Tax Expenses</b>		<b>73,22,510</b>	<b>1,07,585</b>
<b>Profit for the year after Tax</b>		<b>(7,03,21,874)</b>	<b>2,49,820</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income after Tax</b>		<b>(7,03,21,874)</b>	<b>2,49,820</b>
Earnings per Equity Share (Face Value of ₹ 1 per share [P.Y. ₹ 1 Per Share])	23.9		
-Basic & Diluted (annualised)		(0.32)	0.00

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For M/s. Mohindra Arora & Co.**  
Firm Registration Number - 006551N  
Chartered Accountants

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

**Ashok Kumar Katial**  
Partner  
Membership No. 09096

Kishan Singh  
(Whole Time Director)  
Din: 07526266

Ganga Sahai  
(Director)  
Din: 07116838

Place: Kolkata

Date: 30th day of May, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2018		
Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
	₹	₹
<b>(A) Cash Flow From Operating Activities</b>		
Net Profit before Tax & Exceptional items	(98,43,299)	3,57,405
<b>Adjustments for :-</b>		
Profit on Sale of Investments	(39,97,000)	(18,000)
Profit on Sale of Fixed Assets	(5,895)	-
Fair Valuation of Financial Instruments	-	(61,367)
Provision for diminution in value of investments	50,62,496	-
Other Income	(2,53,469)	-
Depreciation and Amortisation on tangible assets	8,56,166	11,44,780
<b>Operating Profit Before Working Capital Changes</b>	<b>(81,81,001)</b>	<b>14,22,818</b>
<b>Adjustments for :-</b>		
<b>Working/ Operating Capital Changes</b>		
(Increase)/ Decrease in Long Term Other Receivables	70,38,265	-
(Increase)/ Decrease in Other Receivables	(45,17,360)	-
(Increase)/ Decrease in Other Non Current Assets	-	-
(Increase)/ Decrease in Trade Receivables	-	-
Increase/ (Decrease) in Other Current Liabilities	3,82,977	(2,04,712)
<b>Cash Generated From Operations</b>	<b>(52,77,119)</b>	<b>12,18,106</b>
Payment of Taxes	1,18,580	-
<b>Net Cash Flow (Used in)/ Generated From Operating Activities (A)</b>	<b>(53,95,699)</b>	<b>12,18,106</b>
<b>(B) Cash Flow From Investing Activities</b>		
Sales/ (Purchase) of Non Current Investments (Net)	39,97,000	(17,37,200)
Sales/ (Purchase) of Fixed Assets (Net)	9,64,741	-
<b>Net Cash Flow (Used in)/ Generated From Investing Activities (B)</b>	<b>49,61,741</b>	<b>(17,37,200)</b>
<b>(C) Cash Flow From Financing Activities</b>		
Receipt/ (Repayment) of loan and advances	10,000	-
Interest (Net)	2,53,469	-
Advances Given	-	-
<b>Net Cash Flow (Used in)/ Generated From Financing Activities (C)</b>	<b>2,63,469</b>	<b>-</b>
<b>Net Increase /(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(1,70,489)</b>	<b>(5,19,094)</b>
<b>Cash &amp; Cash Equivalents as at the beginning of the year</b>	<b>2,63,814</b>	<b>7,82,908</b>
<b>Cash &amp; Cash Equivalents as at the end of the year</b>	<b>93,325</b>	<b>2,63,814</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For M/s. Mohindra Arora & Co.**  
Firm Registration Number - 006551N  
Chartered Accountants

**For and on behalf of the Board**

**Ashok Kumar Katial**  
Partner  
Membership No. 09096

Kishan Singh  
(Whole Time Director)  
Din: 07526266

Ganga Sahai  
(Director)  
Din: 07116838

Place: Kolkata  
Date: 30th day of May, 2018

STATEMENT OF CHANGES IN EQUITY					
A) Equity Share Capital					
					(Amount in ₹)
Particulars	Amount				
As at 01st April 2016	22,07,42,560				
Changes during the year	-				
As at 31st March 2017	22,07,42,560				
Changes during the year	-				
As at 31st March 2018	22,07,42,560				
B) Other Equity					
					(Amount in ₹)
Particulars	Capital Reserves	Securities Premium Account	General Reserve	Retained Earning	Total retained earnings
As at 01st April 2016 as per Indian GAAP	1,54,64,327	1,44,43,080	29,58,579	3,93,95,598	7,22,61,584
Fair Valuation of Financial Assets	-	-	-	(13,68,71,877)	(13,68,71,877)
As at 01st April 2016 as per Ind AS	1,54,64,327	1,44,43,080	29,58,579	(9,74,76,279)	(6,46,10,293)
Profit for the year	-	-	-	2,07,298	2,07,298
Fair Valuation of Financial Assets	-	-	-	61,367	61,367
Deferred Tax Liabilities	-	-	-	(18,845)	(18,845)
As at 31st March 2017	1,54,64,327	1,44,43,080	29,58,579	(9,72,26,459)	(6,43,60,473)
Profit for the year	-	-	-	(7,03,21,874)	(7,03,21,874)
As at 31st March 2018	1,54,64,327	1,44,43,080	29,58,579	(16,75,48,333)	(13,46,82,347)
As per our report of even date.					
For M/s. Mohindra Arora & Co. Firm Registration Number - 006551N Chartered Accountants			For and on behalf of the Board		
Ashok Kumar Katial Partner Membership No. 09096		Kishan Singh (Whole Time Director) Din: 07526266		Ganga Sahai (Director) Din: 07116838	
Place: Kolkata Date: 30th day of May, 2018					



**Company Overview:**

Adinath Bio-Labs Limited is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Calcutta Stock Exchange. The Company is primarily engaged in business of Trading in Commodities and its allied products. The registered office of the company is located at 4, N. S. Road, 1<sup>st</sup> Floor, Kolkata - 700 001, West Bengal.

**Notes to Financial Statements as at and for the year ended 31st March, 2018**

**1. Significant Accounting Policies and Key Estimates and Judgements**

**1.1 Basis of Preparation of financial statements**

These financial statements for the year ended 31st March, 2018 are the first financial statements, the Company has prepared in accordance with Indian Accounting Standards ("Ind AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. Further, in accordance with the Rules, the Company has restated its Balance Sheet as at 1st April, 2016 and financial statements for the year ended and as at 31st March, 2017 also as per Ind AS.

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 [Indian GAAP].

For preparation of opening balance sheet under Ind AS as at 1st April, 2016, the Company has availed exemptions and first time adoption policies in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards", the details of which have been explained thereof in Note 1.3.

The financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value as described in accounting policies regarding financial instruments.

**Estimates**

The estimates at 1st April, 2016 and at 31st March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). Consequent to Company's transition to Ind AS as explained in "Basis of Preparation" paragraph above, following are accounted for the first time in these financial statements and hence estimates for these items are based on conditions existing on the respective Balance Sheet dates:

- (a) Impairment of financial assets based on expected credit loss model
- (b) Fair value of certain financial assets and liabilities through Profit and Loss (FVTPL)

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April, 2016, the date of transition to Ind AS and as of 31st March, 2017.

**1.2 Summary of Significant Accounting Policies**

**a. Current versus Non-Current Classification**

All assets and liabilities have been classified as current or non-current as per the Company's Operating Cycle (twelve months) and other criteria set out in the Schedule II to the Act.

**b. Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)****Sale of Goods**

Revenue from the sale of goods is recognised on transfer of significant risks and rewards of ownership to customers based on the contract with the customers for delivery. Revenue from the sale of goods is net of returns and allowances, trade discounts and volume rebates. The Company collects Goods & Service Tax on behalf of the government and therefore, it is not an economic benefit flowing to the Company and hence excluded from revenue (if any).

**Interest Income**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

**Dividends**

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**c. Taxes**

Tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current tax & deferred tax.

**Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (MAT Credit Entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

**d. Property, Plant and Equipment**

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Expenditure directly attributable to expansion projects are capitalised. Administrative, general overheads and other indirect expenditure (including borrowing costs) incurred during the project period which are not related to the project nor are incidental thereto, are charged to Statement of Profit and Loss.

Depreciation on property, plant and equipment is provided under Written Down Value method at the rates determined based on useful lives of the respective assets and residual values which is in line with those indicated in Schedule II of The Companies Act, 2013.

The estimated useful life of the Property Plant and Equipment is given below:

<b><u>Asset Group</u></b>	<b><u>Useful life (in years)</u></b>
Factory Building	30
Non-factory Building	60
Plant & Equipment	8-15
Electrical Installation	10
Furniture & Fixtures	10
Office Equipment and Vehicle	5-8
Computers	3

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

**e. Investment Property**

Property that is held for Long Term rental yields or for capital appreciation or both and is not occupied by Company is classified as Investment Property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of de-recognition.

Estimated useful life of Investment Property for calculation of Depreciation is taken as stated in para (d) above.

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

**f. Intangible Assets**

Intangible assets comprise of implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

**g. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**h. Inventories**

Inventories are valued at the lower of cost and net realisable value.

Finished Goods/ Stock-In Trade are valued at lower of cost or net realizable value. Cost comprises all costs of purchases and other cost incurred in bringing the inventory to its present location and condition. Cost is determined on First in First Out (FIFO) basis.

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

**i. Impairment of Non-Financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or class of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**j. Retirement and other Employee Benefits**

All employee benefits falling due wholly within twelve months of rendering the service are recognized in the period in which employee renders the related service and charged to the Statement of Profit & Loss.

Since numbers of employee employed by the Company for any part of the year or throughout the year were within the prescribed threshold limit of the relevant statute relating to Employees, hence, the provisions of Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965, Employees' State Insurance Act, 1948. Payment of Gratuity Act, 1972 and all other allied Labour Acts or laws or any other rules and regulations relating to Employees are not applicable to the Company.

The employees employed by the Company during the year under review or part of the year have not completed continuous service period of 5 years and there is not any un-availed/unutilized leave of any employees working with the Company at the year end. As such, they are not entitled for Gratuity, Leave encashment and Other Retirement benefits. Accordingly, no provision is required to be made in respect of the retirement benefits. Also, no such payment of any retirement benefits have been made during the year.

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

**k. Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**l. Cash Dividend to Equity Holders**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**m. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**

**(i) Initial Recognition and Measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date, i.e., the date that the asset is delivered to or by the Company which generally coincides with the trade date.

**(ii) Subsequent Measurement**

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

- a. Equity instruments at fair value through profit or loss (FVTPL)
- b. Debt instruments, if any, at amortised cost
- c. Equity Instruments in subsidiaries

**a. Equity Instruments at Fair Value through Profit or Loss (FVTPL)**

All equity investments in scope of Ind AS 109 are measured at fair value except equity investments in subsidiaries which are measured at cost as per Ind AS 27. For equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**b. Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company

**c. Equity Instruments in subsidiaries**

Equity investments in Subsidiaries are carried at Cost, in accordance with option available in Ind AS 27 "Separate Financial Statements".

**(iii) De-Recognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when the rights to receive cash flows from the asset have expired.

**(iv) Impairment of Financial Assets**

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

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

As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

**Financial Liabilities**

**(i) Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

**(ii) Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

**(iii) De-Recognition**

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

**(iv) 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, to realise the assets and settle the liabilities simultaneously.

**n. Fair Value Measurement**

The Company measures financial instruments, such as, quoted investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on recurring basis the Company determines whenever transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period and discloses the same.

**o. Earning Per Share**

Earning per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p. Segment Reporting**

The Company's operating business segments are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

**q. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

**r. Exceptional Items**

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items. In nearly all cases, an event or transaction was considered to be part of the normal operating activities of a business, and so was reported as such. An exceptional item used to be separately stated in the statement of profit & loss.

**s. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**t. Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**(i) Estimates and Assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**a. Taxes**

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the losses and tax credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**b. Expected Credit Loss Model**

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial Assets. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.



**Notes to Financial Statements as at and for the year ended 31st March, 2018****1.3 First Time Adoption of Ind AS**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

**Notes to Financial Statements as at and for the year ended 31st March, 2018**

**A) Effect of Ind AS adoption on the Balance Sheet as on 31st March, 2017 and 1st April, 2016**

Reconciliation of Assets and Liabilities as previously reported under previous GAAP to Ind AS

(Amount in ₹)

PARTICULARS	Balance Sheet As at 31st March 2017			Opening Balance Sheet As at 01st April 2016		
	Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	44,19,117	-	44,19,117	55,63,897	-	55,63,897
Capital work-in-progress	1,86,56,065	-	1,86,56,065	1,86,56,065	-	1,86,56,065
Intangible assets	-	-	-	-	-	-
Financial assets						
Investments	73,30,200	(19,42,701)	53,87,499	55,75,000	(20,04,068)	35,70,932
Loans & Advances	-	-	-	-	-	-
Other financial assets	22,10,45,503	(10,98,67,809)	11,11,77,694	22,10,45,503	(10,98,67,809)	11,11,77,694
Other non-current assets	-	-	-	-	-	-
Deferred tax assets (net)	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>25,14,50,885</b>	<b>(11,18,10,510)</b>	<b>13,96,40,375</b>	<b>25,08,40,465</b>	<b>(11,18,71,877)</b>	<b>13,89,68,588</b>
<b>Current assets</b>						
Inventories	3,20,38,265	(2,50,00,000)	70,38,265	3,20,38,265	(2,50,00,000)	70,38,265
Financial assets						
Investments	-	-	-	-	-	-
Trade receivable	62,04,269	-	62,04,269	62,04,269	-	62,04,269
Cash and cash equivalents	2,63,814	-	2,63,814	7,82,908	-	7,82,908
Loans	25,30,000	-	25,30,000	25,30,000	-	25,30,000
Other financial assets	25,17,000	-	25,17,000	25,17,000	-	25,17,000
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>4,35,53,348</b>	<b>(2,50,00,000)</b>	<b>1,85,53,348</b>	<b>4,40,72,442</b>	<b>(2,50,00,000)</b>	<b>1,90,72,442</b>
<b>Total Assets</b>	<b>29,50,04,233</b>	<b>(13,68,10,510)</b>	<b>15,81,93,723</b>	<b>29,49,12,907</b>	<b>(13,68,71,877)</b>	<b>15,80,41,030</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity Share capital</b>						
Equity Share capital	22,07,42,560	-	22,07,42,560	22,07,42,560	-	22,07,42,560
Other Equity	7,24,68,882	(13,68,29,355)	(6,43,60,473)	7,22,61,584	(13,68,71,877)	(6,46,10,293)
Capital Reserves	1,54,64,327	-	1,54,64,327	1,54,64,327	-	1,54,64,327
Amalgamation Reserve	-	-	-	-	-	-
Securities Premium Account	1,44,43,080	-	1,44,43,080	1,44,43,080	-	1,44,43,080
General Reserve	29,58,579	-	29,58,579	29,58,579	-	29,58,579
Capital Redemption Reserve	-	-	-	-	-	-
Retained Earning	3,96,02,896	(13,68,29,355)	(9,72,26,459)	3,93,95,598	(13,68,71,877)	(9,74,76,279)
<b>Total equity</b>	<b>29,32,11,442</b>	<b>(13,68,29,355)</b>	<b>15,63,82,087</b>	<b>29,30,04,144</b>	<b>(13,68,71,877)</b>	<b>15,61,32,267</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Financial liabilities						
Borrowings	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Deferred tax liabilities (net)	1,36,478	18,845	1,55,323	1,45,738	-	1,45,738
<b>Total Non-Current Liabilities</b>	<b>1,36,478</b>	<b>18,845</b>	<b>1,55,323</b>	<b>1,45,738</b>	<b>-</b>	<b>1,45,738</b>
<b>Current liabilities</b>						
Financial liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Other current liabilities	3,28,235	-	3,28,235	4,50,947	-	4,50,947
Provisions	64,000	-	64,000	1,46,000	-	1,46,000
Current tax liabilities	12,64,078	-	12,64,078	11,66,078	-	11,66,078
<b>Total Current Liabilities</b>	<b>16,56,313</b>	<b>-</b>	<b>16,56,313</b>	<b>17,63,025</b>	<b>-</b>	<b>17,63,025</b>
<b>Total Equity and Liabilities</b>	<b>29,50,04,233</b>	<b>(13,68,10,510)</b>	<b>15,81,93,723</b>	<b>29,49,12,907</b>	<b>(13,68,71,877)</b>	<b>15,80,41,030</b>

Notes to Financial Statements as at and for the year ended 31st March, 2018

**B) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2017**

Reconciliation of Profit and Loss Account as previously reported under previous GAAP to Ind AS

(Amount in ₹)

Particulars	Profit and Loss Account As at 31st March 2017		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>Income:</b>			
Revenue from Operations (Gross)	55,81,586	-	55,81,586
Other Income	18,000	61,367	79,367
<b>Total Revenue</b>	<b>55,99,586</b>	61,367	<b>56,60,953</b>
<b>Expenses:</b>			
Employee Benefit Expenses	22,27,355	-	22,27,355
Depreciation and Amortisation Expenses	11,44,780	-	11,44,780
Finance Cost	-	-	-
Other Expenses	19,31,413	-	19,31,413
<b>Total Expenses</b>	<b>53,03,548</b>	-	<b>53,03,548</b>
<b>Profit before Exceptional Items and Tax</b>	<b>2,96,038</b>	<b>61,367</b>	<b>3,57,405</b>
<b>Exceptional Items</b>	-	-	-
<b>Profit before Tax</b>	<b>2,96,038</b>	<b>61,367</b>	<b>3,57,405</b>
<b>Tax Expense:</b>			
-Current Tax	98,000	-	98,000
-Deferred Tax	(9,260)	18,845	9,585
-Tax in respect of earlier years	-	-	-
<b>Total Tax Expenses</b>	<b>88,740</b>	<b>18,845</b>	<b>1,07,585</b>
<b>Profit for the year after Tax</b>	<b>2,07,298</b>	<b>42,522</b>	<b>2,49,820</b>
Other Comprehensive Income	-	-	-
<b>Total Comprehensive Income after Tax</b>	<b>2,07,298</b>	<b>42,522</b>	<b>2,49,820</b>
Earnings per Equity Share (Face Value of Rs.1 per share)			
-Basic & Diluted (annualised)	0.00		0.00

**C) Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31st March, 2017**

Reconciliation of Statement of Cash Flow as previously reported under previous GAAP to Ind AS

(Amount in ₹)

Particulars	Statement of Cash Flow for year ended 31st March 2017		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	12,18,106	-	12,18,106
Net cash flows from investing activities	(17,37,200)	-	(17,37,200)
Net cash flows from financing activities	-	-	-
Net Increase in Cash and Cash Equivalents	(5,19,094)	-	(5,19,094)
Cash & Cash Equivalents - Opening Balance	7,82,908	-	7,82,908
Cash & Cash Equivalents - Closing Balance	<b>2,63,814</b>	-	<b>2,63,814</b>

**D) Reconciliation of Total Equity as on 31st March,2017 and 1st April, 2016**

Particulars	31st March, 2017	1st April, 2016 (Date of Transition)
Total Equity (Shareholders' funds) under Indian GAAP	7,24,68,882	7,22,61,584
Fair valuation of Financial Assets	(13,68,10,510)	(13,68,71,877)
Adjustment of Deferred Tax	(18,845)	-
Total Adjustment to Equity	(13,68,29,355)	(13,68,71,877)
<b>Total Equity under Ind AS</b>	<b>(6,43,60,473)</b>	<b>(6,46,10,293)</b>

Refer para 1.3(A)

**Notes to Financial Statements as at and for the year ended 31st March, 2018**

**E) Re-Classifications**

The Company has done the following reclassifications as per the requirements of Ind AS:

- i. Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.
- ii. Long Term Trade receivables and other receivables have been reclassified to non-current financial assets.

**F) Ind AS 101 Exemptions Applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Exemptions applied by Company are detailed here under:

With regard to Property Plant and Equipment the Company has elected to continue with carrying value as recognised in its Indian GAAP Financial Statements as deemed cost at the transition date, viz., 1st April, 2016.

**G) Mandatory Exceptions from retrospective application**

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

- i. Estimates On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.
- ii. Classification and measurement of financial assets. The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**
**Fixed Assets - Property, Plant and Equipments**

PARTICULARS	(Amount in ₹)									
	Gross Block				Depreciation and Amortization				Net Block	
	Balance as on 01.04.2017	Additions	Disposals/ Transfer	Balance as on 31.03.2018	Balance as on 01.04.2017	For the year	Disposals/ Transfer	Balance as on 31.03.2018	Balance as on 31.03.2018	Balance as on 31.03.2017
Plant and Equipments	1,55,10,710	-	-	1,55,10,710	1,26,20,143	6,13,800	-	1,32,33,943	22,76,767	28,90,567
Computer and Accessories	1,15,77,818	-	1,15,77,818	-	1,09,99,927	-	1,09,99,927	-	-	5,78,891
Computer -End Uses Devices	78,245	-	-	78,245	61,926	10,406	-	72,332	5,913	16,319
Furniture & Fixtures	73,12,338	-	45,26,823	27,85,515	65,59,262	2,23,952	43,00,482	24,82,732	3,02,783	7,53,076
Office Equipments	36,05,283	26,650	36,05,283	26,650	34,25,019	8,008	34,25,019	8,008	18,642	1,80,264
<b>Total</b>	<b>3,80,84,394</b>	<b>26,650</b>	<b>1,97,09,924</b>	<b>1,84,01,120</b>	<b>3,36,65,277</b>	<b>8,56,166</b>	<b>1,87,24,428</b>	<b>1,57,97,015</b>	<b>26,04,105</b>	<b>44,19,117</b>
Previous Year	3,80,84,394	-	-	4,95,69,989	3,25,20,497	11,44,780	-	3,36,65,277	44,19,117	-
Capital Work in Progress (Refer note 23.11)	1,86,56,065	-	1,86,56,065	-	-	-	-	-	-	1,86,56,065

**Note:**

For Property, plant and equipment existing as on April 1,2016, i.e. date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed cost. (Refer Note 1.3(F)) under Ind AS 101 Exemption Applied)

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

**Note : 3**

**Non Current Investments**

Particulars	As at 31st March 2018		As at 31st March 2017		As at 01st April 2016	
	Units	Amount (₹)	Units	Amount (₹)	Units	Amount (₹)
<b>Non-Current, Non-Trade Investments at fair value through profit or loss (FVTPL)</b>						
<b>Quoted Equity Instruments</b>						
Sidh Management Corporate Services Ltd. of Rs. 10/- each	12,500	3,25,003	12,500	3,25,003	12,500	3,20,932
Jinprabhu Infrastructure Developments Ltd of Rs. 10/- each (*)	1,00,520	-	1,00,520	10,62,496	-	-
<b>Unquoted Equity Instruments</b>						
Care & Cure International Ltd. of Rs. 10/- each	-	-	-	-	1,80,000	27,00,000
Firstmark Trade Advisors Ltd of Rs. 10/- each	4,00,000	-	4,00,000	40,00,000	55,000	5,50,000
<b>Total</b>		<b>3,25,003</b>		<b>53,87,499</b>		<b>35,70,932</b>

Aggregate cost of quoted investments	11,30,200	11,30,200	1,25,000
Aggregate market value of quoted investments	3,25,003	13,87,499	3,20,932
Aggregate cost of unquoted investments	62,00,000	62,00,000	54,50,000
Aggregate market value of unquoted investments	-	40,00,000	32,50,000
Aggregate amount of impairment in value of investments	70,05,197	19,42,701	20,04,068

(\*) Suspended from Trading in Stock Exchange(s) where the shares are listed. Further, the company is under Insolvency resolution process (IBB), accordingly provision for diminution has been made in current year.

**Note : 4**

**Other Non-Current Financial Asset**

**(Amount in ₹)**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
<b>Unsecured, considered doubtful</b>			
Other Receivables	3,45,00,000	-	-
Less: Provision for bad and doubtful debt	3,45,00,000	-	-
	-	-	-
<b>Unsecured, considered good</b>			
Other Receivables	8,02,32,694	11,11,77,694	11,11,77,694
<b>Total</b>	<b>8,02,32,694</b>	<b>11,11,77,694</b>	<b>11,11,77,694</b>

**Note : 5**

**Inventories**

**(Amount in ₹)**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Finished Goods /Stock -In Trade (At lower of Cost or Net realizable value)	-	70,38,265	70,38,265
<b>Total</b>	<b>-</b>	<b>70,38,265</b>	<b>70,38,265</b>

**Note : 6**

**Trade Receivables**

**(Amount in ₹)**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
<b>Unsecured, considered good</b>			
Trade Receivables	62,04,269	62,04,269	62,04,269
<b>Total</b>	<b>62,04,269</b>	<b>62,04,269</b>	<b>62,04,269</b>

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

**Note : 7**

**Cash and Cash Equivalents**

**(Amount in ₹ )**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
<b>Cash and Cash Equivalents (as certified by management)</b>			
Balances with Banks			
In Current Accounts	39,441	-	10,226
-Unclaimed/Unpaid Dividend A/c	-	2,53,485	3,76,522
Cash on Hand	53,884	10,329	3,96,160
<b>Total</b>	<b>93,325</b>	<b>2,63,814</b>	<b>7,82,908</b>

**Note : 8**

**Short Term Loans & Advances**

**(Amount in ₹ )**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
<b><u>Unsecured, considered good</u></b>			
Short Term Loans & Advances	25,20,000	25,30,000	25,30,000
<b>Total</b>	<b>25,20,000</b>	<b>25,30,000</b>	<b>25,30,000</b>

**Note : 9**

**Other Current Financial Assets**

**(Amount in ₹ )**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
<b><u>Unsecured, considered good</u></b>			
Advance Recoverable in cash or kind	24,45,000	24,45,000	24,45,000
Interest Free Security Deposit	72,000	72,000	72,000
Other Receivables	9,62,360	-	-
<b>Total</b>	<b>34,79,360</b>	<b>25,17,000</b>	<b>25,17,000</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)

Note: 10

Shareholder's Fund  
Share Capital

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
<b>Authorised</b>			
22,51,00,000 (Previous Year - 22,51,00,000) Equity Shares of Rs.1/- each	22,51,00,000	22,51,00,000	22,51,00,000
<b>Issued, Subscribed and Fully Paid up</b>			
22,07,42,560 (Previous Year - 22,07,42,560) Equity Shares of Rs.1/- each fully paid up	22,07,42,560	22,07,42,560	22,07,42,560
	<b>22,07,42,560</b>	<b>22,07,42,560</b>	<b>22,07,42,560</b>

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
<b>(i) Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period:</b>			
Equity Shares outstanding at the Beginning of the year	22,07,42,560	22,07,42,560	22,07,42,560
- Number of Shares	22,07,42,560	22,07,42,560	22,07,42,560
- Amount			
Equity Shares outstanding at the End of the year	22,07,42,560	22,07,42,560	22,07,42,560
- Number of Shares	22,07,42,560	22,07,42,560	22,07,42,560
- Amount			

**(ii) Terms / rights attached to Equity shares**

The Company has only one class of equity shares having a par value of Rs.1/- per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The Company has not declared any dividends for the year ended 31st March, 2018. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by the share holders.

iii) The Company does not have any Holding/ Ultimate Holding Company. As such, no shares are held by them or their Subsidiaries/Associates.

**iv) Name of the Shareholders holding more than 5% shares in the Company**

Particulars	As at 31st March 2018		As at 31st March 2017		As at 01st April 2016	
	% Held	No of Shares	% Held	No of Shares	% Held	No of Shares
<b>Promoter</b>						
Pramukhsoft Technologies (P) Ltd	6.72%	1,48,43,200	6.72%	1,48,43,200	6.72%	1,48,43,200
<b>Non Promoter</b>						
Umesh Kumar Thaker	5.43%	1,19,87,683	5.43%	1,19,87,683	5.43%	1,19,87,683
Sandip Laxmanbhai Bharamani	-	-	-	-	5.33%	1,17,68,273

v) There are NIL (P.Y. NIL) shares reserved for issue under option and contracts / commitment for the sale of shares/ disinvestment.

vi) During the period of five years immediately preceding the reporting date:

- No shares were issued for consideration other than cash
- No bonus shares were issued
- No shares were bought back

vii) There are NIL (P.Y. NIL) securities convertible into Equity/ Preference Shares.

viii) There are NIL (P.Y. NIL) calls unpaid including calls unpaid by Directors and Officers as on the balance sheet date.



**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

Note : 11

Shareholder's Fund

Other Equity

(Amount in ₹)

Particulars	Capital Reserves	Securities Premium Account	General Reserve	Retained Earning	Total retained earnings
<b>As at 01st April 2016 as per Indian GAAP</b>	<b>1,54,64,327</b>	<b>1,44,43,080</b>	<b>29,58,579</b>	<b>3,93,95,598</b>	<b>7,22,61,584</b>
Fair Valuation of Financial Assets	-	-	-	(13,68,71,877)	(13,68,71,877)
<b>As at 01st April 2016 as per Ind AS</b>	<b>1,54,64,327</b>	<b>1,44,43,080</b>	<b>29,58,579</b>	<b>(9,74,76,279)</b>	<b>(6,46,10,293)</b>
<b>Profit for the year</b>				2,07,298	2,07,298
Fair Valuation of Financial Assets				61,367	61,367
Deferred Tax Liabilities				(18,845)	(18,845)
<b>As at 31st March 2017</b>	<b>1,54,64,327</b>	<b>1,44,43,080</b>	<b>29,58,579</b>	<b>(9,72,26,459)</b>	<b>(6,43,60,473)</b>
<b>Profit for the year</b>				(7,03,21,874)	(7,03,21,874)
<b>As at 31st March 2018</b>	<b>1,54,64,327</b>	<b>1,44,43,080</b>	<b>29,58,579</b>	<b>(16,75,48,333)</b>	<b>(13,46,82,347)</b>

**Nature and Purpose of Reserves**

**Securities premium reserve:**

Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

**Note: 12**

**Deferred Tax Liability**

(Amount in ₹)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Deferred Tax Liability	1,76,016	1,55,323	1,45,738
<b>Total</b>	<b>1,76,016</b>	<b>1,55,323</b>	<b>1,45,738</b>

**Note: 13**

**Other Current Liabilities**

(Amount in ₹)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Other current Liabilities	7,75,212	3,28,235	4,50,947
<b>Total</b>	<b>7,75,212</b>	<b>3,28,235</b>	<b>4,50,947</b>

**Note: 14**

**Provisions**

(Amount in ₹)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Provisions for Employee Benefits	-	64,000	1,46,000
<b>Total</b>	<b>-</b>	<b>64,000</b>	<b>1,46,000</b>

**Note: 15**

**Current Tax Liabilities**

(Amount in ₹)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Tax Liabilities	84,47,315	12,64,078	11,66,078
<b>Total</b>	<b>84,47,315</b>	<b>12,64,078</b>	<b>11,66,078</b>

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

**Note 16**

**Revenue from Operations**

(Amount in ₹)

Particulars	For the Year Ended on 31st March, 2018	For the Year Ended on 31st March, 2017
Income from Trading in Commodities and its allied products	4,68,461	55,81,586
<b>Total</b>	<b>4,68,461</b>	<b>55,81,586</b>

**Note 17**

**Other Income**

(Amount in ₹)

Particulars	For the Year Ended on 31st March, 2018	For the Year Ended on 31st March, 2017
Consultancy Fees	6,54,209	-
Profit on Sale of Investments (Refer note 23.5 for FY 2017-18)	39,97,000	18,000
Profit on Sale of Fixed Assets	5,895	-
Fair Valuation of Financial Instruments	-	61,367
Other Income	2,53,469	-
<b>Total</b>	<b>49,10,573</b>	<b>79,367</b>

**Note 18**

**Change in Inventories of Finished Goods, Work-in Progress and Stock-in Trade**

(Amount in ₹)

Particulars	For the Year Ended on 31st March, 2018	For the Year Ended on 31st March, 2017
<b>Inventories at the end of the year</b>		
Finished Goods/ Stock-in Trade	-	70,38,265
	-	<b>70,38,265</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods/ Stock-in Trade	70,38,265	70,38,265
	<b>70,38,265</b>	<b>70,38,265</b>
<b>Total</b>	<b>(70,38,265)</b>	-

**Note 19**

**Employee Benefit Expenses**

(Amount in ₹)

Particulars	For the Year Ended on 31st March, 2018	For the Year Ended on 31st March, 2017
Salaries and Wages	9,87,197	20,78,388
Staff Welfare Expenses	76,638	1,48,967
<b>Total</b>	<b>10,63,835</b>	<b>22,27,355</b>

**Note 20**

**Depreciation and Amortisation**

(Amount in ₹)

Particulars	For the Year Ended on 31st March, 2018	For the Year Ended on 31st March, 2017
Depreciation and Amortisation on tangible assets	8,56,166	11,44,780
<b>Total</b>	<b>8,56,166</b>	<b>11,44,780</b>

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

**Note 21**

**Other Expenses**

(Amount in ₹)

Particulars	For the Year Ended on 31st March, 2018	For the Year Ended on 31st March, 2017
Advertisement Expenses	32,986	68,936
Audit Remuneration (Refer note 23.4)	88,500	74,750
Conveyance & Travelling	35,429	2,48,975
Filling Fees	43,200	19,200
Provision for diminution in value of investments	50,62,496	-
General Expenses	2,02,571	2,37,151
Listing Fees	68,251	45,850
Office Maintenance Expenses	46,225	1,34,306
Postage & Courier	75,782	1,20,966
Printing & Stationary	26,147	79,700
Professional Charges	91,554	1,63,800
R&T and Demat Charges	2,29,929	2,86,572
Rent	2,22,344	2,18,376
Repair & Maintenance	6,982	94,027
Telephone & Connectivity Expenses	31,671	1,38,804
<b>Total</b>	<b>62,64,067</b>	<b>19,31,413</b>

**Note 22**

**Exceptional Items**

(Amount in ₹)

Particulars	For the Year Ended on 31st March, 2018	For the Year Ended on 31st March, 2017
Capital Work in Progress Written off (Refer note 2)	1,86,56,065	-
Provision for Bad Advances (Refer note 23.12)	3,45,00,000	-
<b>Total</b>	<b>5,31,56,065</b>	<b>-</b>

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

**23. Other Notes to Financial Statements**

23.1 During the financial year 2017-18, there were no transactions with any suppliers/parties who are covered under 'The Micro Small and Medium Enterprises Development Act, 2006'.

**23.2 Related Party Disclosure**

**a) Name of related parties and their relationship:**

Particulars	Name
Key Managerial Personnel	Mr. Abhishek Kumar Jain (Whole Time Director) Resigned w.e.f. 02.12.2017
	Mr. Kishan Singh (Whole Time Director) Appointed w.e.f. 02.12.2017
	Mr. Mahesh Purohit (Company Secretary) Resigned w.e.f. 25.09.2017

**b) Transaction which took place with the related parties during the year:**

**Amount (in ₹)**

Name	Relationship	Nature of Transaction	2017-18	2016-17
Mr. Abhishek Kumar Jain	Key Managerial Personnel	Remuneration	2,80,000	4,20,000
Mr. Kishan Singh			80,000	-
Mr. Mahesh Purohit		Salary	2,45,717	1,40,000

**c) Outstanding balances payable to related parties as on 31<sup>st</sup> March, 2018:**

**Amount (in ₹)**

Name	Relationship	Nature of Transaction	2017-18	2016-17
Mr. Abhishek Kumar Jain	Key Managerial Personnel	Remuneration	-	70,000
Mr. Mahesh Purohit		Salary	-	40,000

23.3 Additional Information as required under paragraph 5 of Part II of Schedule III to the Companies Act, 2013 to the extent either "NIL" or "Not Applicable" has not been furnished except payment to the Auditors.

**23.4 Payment to Auditors (Including GST/Service Tax)**

**(Amount in ₹)**

Particulars	2017-18	2016-17
(A) Statutory Audit Fees	76,700	57,270
(B) Tax Audit Fees	-	5,705
(C) Certification Fees	11,800	11,775
<b>Total</b>	<b>88,500</b>	<b>74,750</b>

23.5 During the year under review, an amount of ₹ 39.98 lacs is been accounted under Profit on Sale of Investments (refer note no. 17). The amount represents further provisional NAV of Arihant Mangal Mutual Fund which is liquidated by Hon'ble Delhi High Court. The Company made Investments in Arihant Mangal Mutual Fund in earlier years (39,97,800 units) which was redeemed for ₹ 6.48 each unit in the year 2015-16 as per the order of Hon'ble Delhi High Court and was taken as the entire sales consideration in that year. Accordingly, the entire surplus NAV distributed have been considered as profit on sales of Investments in the current year.

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

- 23.6 Contingent liability has not been provided for in respect of Income Tax matters. The concern matters are under appeal with appropriate authorities on account of dispute raised by Income Tax department. The Company is contesting the same and is of view that the disputed demands will not sustain in view of various legal pronouncement in the related matters.
- 23.7 In compliance with the Accounting Standard Ind AS-12 relating to "Income Tax" issued by The Institute of Chartered Accountants of India, the Company had provided for Deferred Tax Liability arising out of timing difference on account of property plant and equipment's amounting to ₹ 20,693 (P.Y. ₹ 9,585). Accordingly, the said item has been debited to the Statement of Profit & Loss for the year under report.
- 23.8 Management has represented that the inventories were adjusted with retained earnings during transition phase to IND AS, to the extent the stock was obsolete or unsalable. The details are provided in para 1.3 (A) of notes to financial statements
- 23.9 Earnings per share is computed by dividing the net profit or loss for the year attributable to the equity shareholders by the number of equity shares outstanding during the year, as under:

Particulars	2017-18	2016-17
Net Profit for the year attributable to the equity shareholders (₹)	(7,03,21,874)	2,49,820
Weighted Average Number of equity shares outstanding (in Nos.)	22,07,42,560	22,07,42,560
Basic and diluted earnings per share (Face value of ₹ 1/- each) (₹)	(0.32)	0.00

- 23.10 As per the requirements of IND AS, fair valuation adjustments pertaining to financial assets, inventories and financial instruments [Refer Note 1.3 (D)], the Company has incurred losses which has resulted in erosion of net worth of the Company. The company expects growth in its operations in coming years with continuous improvement in operational efficiency.
- 23.11 As per the discretion of the management, in the current year the company has written off Capital Work in Progress amounting to ₹ 1.87 cr, due to obsolescence of the asset under construction.
- 23.12 The Company is exposed to market risk and credit risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate risk governance framework for the Company. The audit committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

- i) The Company had made the Long-Term Investments either in quoted or unquoted scrip's of certain companies in earlier years. Presently, one company is delisted/ suspended from trading in recognized stock exchanges. The Company has fairly valued the investments under level 1 and level 3 valuation technique as stated in significant accounting policies.
- ii) In the Opinion of the Board, all the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount stated in the Balance Sheet and all the known liabilities have been provided for unless otherwise stated elsewhere in other notes.

**Notes to Financial Statements as at and for the year ended 31st March, 2018 (Cont....)**

**b) Credit Risks**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

- i) The Company has Other Receivables which are outstanding for a considerable period of time and considered good for recovery by the management. The management has worked out expected credit losses which were provided on transition. For the available exposure, the management has ensured that the Company has been continuously persuading to settle the amount /recovered the receivables, accordingly no further provision is being considered by the management.

During transition phase to IND AS the management has identified the financial assets which remained unrealisable for a considerable period of time were adjusted with retained earnings as on 1st April, 2016 (i.e. transition phase). The amount has been disclosed in para 1.3 (A) of notes to financial statements.

- ii) Certain Debit Balances as stated in the financial statements are being subject to confirmation and reconciliation thereof, and the same have been taken as per the balances as per books. The consequent necessary adjustments, either of a revenue nature or otherwise, if any, will be made, as and when these accounts are reconciled and confirmed. Further, the Company has made a provision amounting to ₹ 3.45 crore towards amounts not recoverable during the year ended 31 March 2018.

23.13 The Company has one reportable business segment i.e., Trading in Commodities and it's allied product. The Company operates mainly in Indian market and there are no reportable geographical segments.

23.14 The figures appearing in the Financial Statements have been rounded off to nearest rupee.

23.15 All amounts are in Rupees until and unless specified specifically.

23.16 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

**Notes referred to above form an integral part of Financial Statements**

**As per our attached report on even date**

**For Mohindra Arora & Co.  
(Chartered Accountants)  
(FRN:006551N)**

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

**Ashok Kumar Katial  
(Partner)  
Membership No: 09096**

**Kishan Singh  
(Whole Time Director)  
(DIN: 07526266)**

**Ganga Sahai  
(Director)  
(DIN: 07116838)**

Place : Kolkata  
Date : 30/05/2018

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**ATTENDANCE SLIP**  
 (TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

<b>DP Id*/Client Id*/Folio No.</b>		<b>No. of Shares</b>	
<b>NAME AND ADDRESS OF THE MEMBER(S)</b>			

I/We hereby record my/our presence at the 37<sup>th</sup> Annual General Meeting to be held on Monday, 24<sup>th</sup> September, 2018 at 2.30 P.M. at O2, VIP-Hotel, VIP Road, Kaikhali, Kolkata-700052.

Member's / Proxy's name In Block Letters \_\_\_\_\_ Member's / Proxy's Signature \_\_\_\_\_

Note: Please complete this slip and hand it over at the entrance of the Meeting venue.

**Form No. MGT-11**  
**FORM OF PROXY**  
 [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):		<b>DP Id*/Client Id*/Folio No.</b>	
Registered address:			
E-mail ID:			

I/We, being the member(s) of \_\_\_\_\_ shares of Adinath Bio-Labs Limited, hereby appoint:  
 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him/her  
 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him/her  
 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him/her

as my / our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 37<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 24<sup>th</sup> September, 2018 at 2.30 P.M. at O2, VIP-Hotel, VIP Road, Kaikhali, Kolkata-700052 and at any adjournment thereof in respect of such Resolutions as are indicated below:

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

Signature of the proxy holder \_\_\_\_\_ Signature of the Shareholder \_\_\_\_\_

Affix a revenue stamp
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**ELECTRONIC VOTING PARTICULARS**

<b>EVSN (E-voting sequence number)</b>	<b>User ID :</b>	<b>Password:</b>

\*\*I/We direct my/our proxy to vote on the Resolutions in the manner as indicated in the box below:

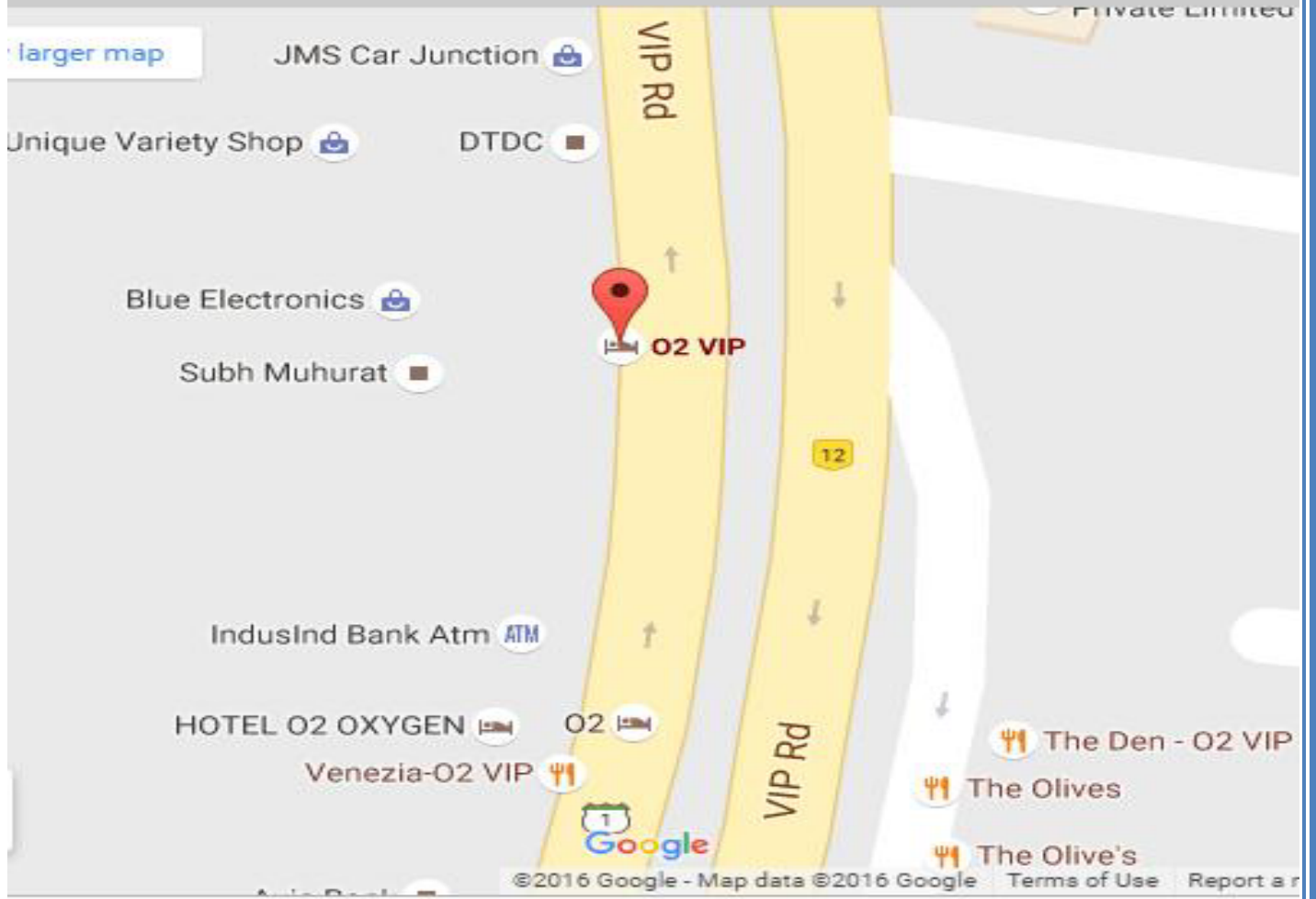
Resolutions	For	Against
<b>Ordinary Business</b>		
1. Adoption of Audited Financial Statement for the year ended 31/03/2018 together with the reports of Board of Directors and Auditors Report thereon (Ordinary Resolution)		
<b>Special Business</b>		
2. Appointment of Shri Kishan Singh (Din: 07526266), as a Director. (Ordinary Resolution)		
3. Appointment of Shri Kishan Singh (Din: 07526266) as a Whole Time Director for a period of 5 years. (Ordinary Resolution)		
4. Appointment of Shri Ganga Sahai (DIN: 07116838), as a Director for 5 years. (Ordinary Resolution)		
5. Appointment of Shri Shri Prakash (DIN: 07526354) as a Director for a period of 5 years. (Ordinary Resolution)		
6. Fixation of charges under section 20 of the Companies Act, 2013 for providing documents to any Shareholder of the Company through particular mode. (Ordinary Resolution)		

**\*Applicable for investor holding shares in electronic form**

**Note::**

- (1) 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.
- (2) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice the 37<sup>th</sup> Annual General Meeting.
- (3) \*\*This is only optional. Please put a tick in the appropriate column against the Resolutions indicated in the Box. If you leave the "For' or "Against' column blank against any or all the Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (4) Please complete all details including details of Shareholder (s) in above box before submission.
- (5) The proxy should carry its identity proof.

# Route Map to Venue of AGM



To,

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# **ADINATH BIO-LABS LIMITED**

Registered Office: 4, Netaji Subhas Road, 1st Floor,  
Kolkata - 700 001