



# **NEOGEM INDIA LIMITED**

*Always Innovative*

*Annual Report 2016-2017*



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**BOARD OF DIRECTORS**

- Mr. Gaurav Doshi (DIN: 00166703) - Chairman & Managing Director  
Mr. Ronak Doshi (DIN: 00102959) - Whole Time Director & CFO  
Mr. Jayant Nagarkar (DIN: 00131405) - Non-Executive Independent Director  
Mrs. Renu Kathuria (DIN: 01669882) - Non-Executive Independent Director

**STATUTORY AUDITORS**

M/s. Ashok Bairagra & Associates  
Chartered Accountants  
Mumbai

**SECRETARIAL AUDITOR**

M/s. Hemanshu Kapadia & Associates  
Practising Company Secretaries  
Mumbai

**REGISTERED OFFICE**

G/32, Gems and Jewellery Complex III,  
Seepz (SEZ), Andheri (East),  
Mumbai - 400 096  
Tel.: 022 3088 2640 / 41  
Fax: 022 2829 1123

**REGISTRAR & TRANSFER AGENT**

M/s. Link Intime India Private Limited  
C 101, 247 Park,  
L B S Marg, Vikhroli West,  
Mumbai - 400 083  
Tel No: 022 49186270 Fax: 022 49186060

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## **NEOGEM INDIA LIMITED**

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### **NOTICE**

**NOTICE** is hereby given that the Twenty-sixth Annual General Meeting of the Members of **Neogem India Limited** will be held on Friday, 29th September 2017 at 9:30 a.m. at the Registered office of the Company at G/32, Gems and Jewellery Complex III, Seepz (SEZ), Andheri (East), Mumbai - 400 096 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Financial Statements comprising of Balance Sheet as at 31st March 2017, Statement of Profit and Loss for the year ended on that date, Cash Flow Statement and the Notes together with the Board's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Gaurav Doshi (DIN: 00166703) who retires by rotation and being eligible, offered himself for re-appointment.
3. Appointment of Statutory Auditors:

To appoint Statutory Auditors of the Company for a period of five years to hold office from the conclusion of this meeting till the conclusion of the Thirty First Annual General Meeting and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. D.S. Solanki & Co., Chartered Accountants (Firm Registration No. 124118W) be and are hereby appointed as the Statutory Auditors of the Company in place of retiring Statutory Auditors, M/s. Ashok Bairagra & Associates, Chartered Accountants (Firm Registration No. 118677W), to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting until the conclusion of the 31st Annual General Meeting subject to the ratification of their appointment by the Members at every Annual General Meeting and subject to such remuneration as may be decided by the Board of Directors, at a later date."

By Order of the Board of Directors  
**For Neogem India Limited**

**Gaurav Doshi**  
Chairman & Managing Director  
DIN: 00166703  
Address: G-32, Gems & Jewellery Complex III,  
Seepz (SEZ), Andheri (East), Mumbai-400096

Date: 1st September, 2017  
Place: Mumbai

#### **Registered Office:**

G-32, Gems & Jewellery Complex III,  
Seepz (SEZ), Andheri (East), Mumbai-400096  
CIN: L36911MH1991PLC063357

#### **NOTES:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company. The proxy, in order to be effective, must be duly completed, stamped and signed and should be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of the Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting.

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2. The Company's Registrar & Share Transfer Agents are M/s. Link Intime India Private Limited located at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083 Tel No: 022 49186270 Fax: 022 49186060.
3. Map of the venue of the 26th AGM is given after the notice.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 22nd September 2017 to Friday, 29th September 2017 (both days inclusive).
5. Members are requested to :-
  - i. Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Financial Statement for the financial year ended 31st March 2017, so as to enable the Company to keep the information ready.
  - ii. Bring their copy of the Annual Report, Attendance slip and their photo identity proof at the Annual General Meeting.
  - iii. Intimate to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company/R&TA.
  - iv. Quote Registered Folio no. or DP ID/Client ID no. in all their correspondence.
  - v. Send all share transfer lodgments (physical mode)/ correspondence to the R&TA of the Company, M/s. Link Intime India Private Limited located at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 upto the date of book closure.
6. For the convenience of the Members, attendance slip is enclosed in the Annual Report. Members/Proxy Holders/ Authorized Representatives are requested to fill in and sign at the space provided therein and submit the same at the venue of the Meeting. Proxy/Authorized Representatives of Members should state on the attendance slip as 'Proxy' or 'Authorized Representative', as the case may be. Further, those who hold shares in demat form are requested to write their Client Id and DP Id and those who hold shares in physical forms are requested to write their folio number on the attendance slip for easy identification at the meeting.
7. Corporate Members intending to send their representatives to attend the Meeting are requested to forward a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. In case of joint holders, the vote of only such joint holder who is higher in the order of names, whether in person or proxy, shall be accepted to the exclusion of the votes of other joint holders.
9. As per the provisions of Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 facility for making nominations is available for shareholders in respect of the physical shares held by them. Form SH 13 for making nomination can be obtained from R&TA. The duly filled in nomination form shall be sent to R&TA at their above mentioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
10. The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their Depositories Participant(s). Members holding shares in physical form shall submit their PAN details to R&TA.
11. As required under the Secretarial Standard - 2 and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], the details in respect of the Director seeking re-appointment at the AGM, i.e. Mr. Gaurav Doshi (DIN: 00166703), inter alia, age, qualifications, experience, details of remuneration last drawn by such person, his relationship with other Directors and Key Managerial Personnel of the Company, the number of Meetings of the Board attended during the year and other Directorships, membership/chairmanship of the Committees of other Boards, etc. are annexed to the Notice. He has furnished the relevant consents, etc. for his re-appointment. None of the Directors are related with other Directors or Key Managerial Personnel (inter-se).
12. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. to 3:00 p.m. on all working days except Saturdays, Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

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13. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are, therefore, requested to kindly bring their copies at the time of attending the Meeting.
14. Annual Report containing inter alia the Notice convening the 26th Annual General Meeting, the audited financial statement of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and Auditors, Management Discussion & Analysis, etc. are available on the Company's website at: [www.neogemindia.com](http://www.neogemindia.com).
15. In compliance with the provisions of Section 20 of the Companies Act, 2013, the Company sends its Annual Report to the Members whose email ids are available in electronic form. To support this initiative in full measure, Members who have not registered their email address with the Depository through their concerned Depository Participants (DPs) are requested to register the same with their DPs. Members who hold shares in physical form are requested to register their email address with M/s. Link Intime India Private Limited located at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083 Tel No: 022 49186270 Fax: 022 49186060.
16. In case you desire to receive the same or any other documents in physical form or register or change your email address, you are requested to send an e-mail to [investors@neogemindia.com](mailto:investors@neogemindia.com).
17. Electronic copy of the 26th Annual Report 2016-17, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same.
18. In terms of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the Listing Regulations], the Company has made arrangement for its Members to exercise their right to vote at Annual General Meeting by electronic means.
19. The Members shall note that the facility for voting shall also be provided at the meeting through poll paper and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their voting rights at the meeting. If the Members have already cast their vote by remote e-voting prior to the meeting they may attend the meeting but shall not be entitled to cast their vote again and his/her vote, if any, cast at the meeting shall be treated as invalid.
20. In case a person has become a Member of the Company after the dispatch of the AGM Notice but on or before the cut-off date, he may write to R & TA on the email ID: [manohar.shirwadkar@linkintime.co.in](mailto:manohar.shirwadkar@linkintime.co.in) or contact Mr. Manohar Shirwadkar, at M/s. Link Intime India Private Limited located at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083 Tel No: 022 49186270 Fax: 022 49186060 requesting for the User ID and Password.
21. Procedure for E-Voting through electronic means:
  - i. The voting period begins on Tuesday, 26th September 2017 at IST 9:00 a.m. and ends on Thursday, 28th September 2017 at IST 5:00 p.m. During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - ii. The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - iii. Click on Shareholders.
  - iv. Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - v. Next enter the Image Verification as displayed and Click on Login.
  - vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members)</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.</li> </ul> <p>E.g. If your name is Ramesh Kumar with the Sequence Number 1 then enter RAO0000001 in the PAN field.</p>
DOB/DOI	<p>Enter the Date of Birth (in case of individual) and Date of Incorporation (in case of Company) as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</li> </ul>

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

ix. 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, provided that the Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

xi. Click on the EVSN of Neogem India Limited to vote.

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

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

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- xix. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - 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 should be mailed 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.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
22. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22nd September 2017.
23. Mr. Vipin Mehta (FCS: 8303 and CP: 9134), Partner of VPP & Associates, Practicing Company Secretaries, Mumbai or failing him, Mr. Hemanshu Kapadia (FCS: 3477 and CP: 2285), Proprietor of M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, Mumbai have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
24. Voting shall be allowed at the end of discussion on all the resolutions mentioned in the notice of this meeting with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
25. The Scrutinizer(s) shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, within a period not exceeding two (2) days from the conclusion of the meeting a Consolidated Scrutinizer’s Report of the total votes cast in favor or against, if any, forthwith to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.
26. The Results declared along with the report of the Scrutinizer’s shall be placed on the website of the Company [www.neogemindia.com](http://www.neogemindia.com) and on the website of CDSL immediately after the declaration of result by the Chairman or by a person duly authorized. The results shall also be immediately forwarded to BSE Limited, where the equity shares of the Company are listed.
27. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the 26th AGM i.e. 29th September, 2017.
28. The Chairman or the authorised person shall declare the results of the voting forthwith and the results declared alongwith the report of the scrutinizer shall be placed on the website of the Company i.e. [www.neogemindia.com](http://www.neogemindia.com).
29. Kindly note that any Member who wishes to attend the Annual General Meeting, is required to contact Mr. Xavier Rodrigues, contact no.022 30882640 or email him your full name, folio number and contact number at [xavier@neogemindia.com](mailto:xavier@neogemindia.com) atleast 2 days prior to the date of Annual General Meeting i.e. before 27th September, 2017 between 10 am to 5 pm for arranging the gate pass in their name.

By Order of the Board of Directors

**Gaurav Doshi**  
Chairman & Managing Director  
DIN-00166703  
G-32, Gems & Jewellery Complex III,  
Seepz (SEZ), Andheri (E), Mumbai-400096

Date: 1st September, 2017  
Place: Mumbai

**Registered Office:**  
G-32, Gems & Jewellery Complex III,  
Seepz (SEZ), Andheri (East), Mumbai-400 096  
CIN: L36911MH1991PLC063357



**Annexure to Item no. 2 of the Notice**

Details of Mr. Gaurav Doshi, Director seeking re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards II issued by ICSI]:

<b>Name</b>	<b>Mr. Gaurav Doshi</b>
Date of Birth	30/12/1976
Age	40 years
Nationality	Indian
Qualification	B.Com. from University of Mumbai
Nature of Expertise	Vast experience in Finance, Administration and Operations.
Date of 1st appointment on the Board of the Company	22/10/1999
Number of meetings of the Board attended during the year	5
Experience	20 Years
Name of other Public Companies in which holds Directorship	Nil
Name of other Companies in Committees of which holds Membership/ Chairmanship	Nil
Terms and conditions of the appointment	Liable to retire by rotation and offers himself for re-appointment.
Shareholding in Neogem India Limited	8,70,800
Relationship with Directors, Managers or other KMP	Related to Mr. Ronak Doshi (DIN-00166703), Whole-time Director-cum-CFO of the Company.
Last Remuneration drawn (2015-16)	Rs. 6,59,500/- in the financial year 2015-16
Remuneration to be drawn after appointment/re-appointment	Proposed to be re-appointment as a Director liable to retire by rotation on existing terms and condition.

## NEOGEM INDIA LIMITED

### BOARD'S REPORT

To,  
The Members,  
**Neogem India Limited**

Your Directors present the Twenty-Sixth Annual Report of the Company and the Audited Financial Statement for the year ended March 31, 2017.

#### 1. **Financial Summary or highlights/performance of the Company:**

The financial highlights of the Company, for the year ended March 31, 2017 is summarized below:

(Rs.)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Revenue from Operations	15,14,88,424	23,98,12,217
Other Income	0.00	0.00
Total Expenditure	15,41,29,060	28,84,71,922
Profit for the year before tax	(26,40,636)	(4,86,59,705)
Less: Income tax of earlier years	(18,27,153)	-
Deferred Tax	(14,142)	185,579
Profit/(Loss) after Tax	(44,81,931)	(4,84,76,825)

During the year under review, the Sales have decreased from Rs. 23,98,12,217/- in previous year to Rs.15,14,88,424/- in current year due to adverse market conditions. However the loss incurred by the Company was reduced from Rs. 4,84,46,825/- in the previous year to Rs. 44,81,931/- . The total expenditure of the Company was reduced to Rs.15,41,29,060/- from Rs.28,84,71,922/- in the previous year. The performance was hit by nationwide strike for imposition of central excise duty on gold industry in April/May 16. It was further affected in the months of November /December 2016 due to demonetization of high end currencies by the Government of India.

The Management of the Company has been putting in its best efforts to reduce the loss and is hopeful for better results in the coming years.

#### 2. **Dividend:**

In view of loss incurred by the Company, your Directors do not recommend any dividend for the financial year ended 2016-17.

#### 3. **Reserves:**

The Board does not propose to carry any amounts to reserves.

#### 4. **Brief description of the Company's working during the year/ state of Company's affair:**

The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery. Therefore the Company is using the services of in-house designers in developing product designs as per emerging market trends. Your Company is therefore exercising caution in marketing by limiting its exposure to specific customers and regions.

#### 5. **Change in the nature of business, if any:**

There was no change in nature of business.

#### 6. **Auditors Report:**

There are no observations/ qualifications contained in the Auditors' Report and therefore there are no explanations to be provided for in this report. However, your Directors wish to state that with reference to Note no. 2.23 of the Financial Statement, the company has availed working capital (Secured) loans from Punjab National Bank and Bank of India. During the year the accounts has been classified as non-performing assets by the respective banks.

**7. Auditors:**

M/s. Ashok Bairagra & Associates, Chartered Accountants (Firm Registration No. 118677W), Statutory Auditors of the Company would retire on the conclusion of this Annual General Meeting on completion of their term of appointment and since M/s. Ashok Bairagra & Associates, Chartered Accountants are not eligible for re-appointment as Statutory Auditors of the Company as per the provisions of Section 139(2) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Board of Directors, on recommendation of the Audit Committee, recommends the appointment of M/s. D S Solanki & Co, Chartered Accountants (Firm Registration No.124118w) as Statutory Auditors of the Company for a term of 5 years, in place of M/s. Ashok Bairagra & Associates to hold office from the conclusion of 26th Annual General Meeting until the conclusion of 31st Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting. Consent letter and certificate from the said firm has been received to the effect that their appointment as Statutory Auditors of the Company, if appointed at ensuing Annual General Meeting, would be according to the terms and conditions prescribed under Section 139 of the Act and Rules framed there under.

A resolution seeking their appointment forms part of the Notice convening the 26th Annual General Meeting and the same is recommended for your consideration and approval.

**8. Management Discussion And Analysis:**

The Management Discussion and Analysis Report for the financial year under review as stipulated under Regulation 34 of the Listing Regulations is annexed as a part of this Annual Report as **Annexure 1**.

**9. Extract of the Annual Return:**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in Form MGT – 9 is appended as Annexure 2 of the Board's Report.

**10. Conservation of energy, technology absorption and foreign exchange earnings and outgo:**

**A. Conservation of energy:**

**i. The steps taken or impact on conservation of energy:**

Though our operations are not energy- intensive, efforts have been made to conserve energy by utilizing energy- efficient equipments.

**ii. The steps taken by the Company for utilising alternate sources of energy:**

The Company is using electricity as the main source of energy and is currently not exploring any alternate source of energy.

**iii. The capital investment on energy conservation equipments:**

Nil

**B. Technology absorption:**

**i. The efforts made towards technology absorption:**

The Directors are in constant touch with ongoing research in the world to upgrade and absorb improved technology for better line of products and to yield better quality, cost reduction.

**ii. The benefits derived like product improvement, cost reduction, product development or import substitution:**

Utilisation of indigenous raw material has led to cost reduction.

**iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

No technology has been imported by the Company.

**iv. The expenditure incurred on Research and Development: Nil**

## NEOGEM INDIA LIMITED

### C. Foreign exchange Earnings and Outgo:

1. The Company is engaged in activities relating to exports and taking measures for increasing exports, developing new export markets for production and formulating export plans.
2. Total foreign exchange used and earned:

(Rs. in Lacs)

Particulars	2016-17	2015-16
Foreign exchange earned on F.O.B. basis	149,043,372	183,749,474
Foreign exchange outgo (CIF value of Imports)	114,931,206	129,053,227

### 11. Directors and Key Managerial Personnel:

#### A. Changes in Directors and Key Managerial Personnel:

In accordance with the provisions of the Companies Act, 2013 read with the applicable rules thereto, including any statutory modification(s) or re-enactment thereof for the time being in force ('the Act'), Mr. Gaurav Doshi (DIN00166703), who is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks reappointment pursuant to the provisions of Section 152 of the Companies Act, 2013.

Brief resume of the director proposed to be re-appointed and relevant information including nature of their expertise in specific functional areas, qualifications, terms of appointment, details of remuneration, names of the Companies in which he holds directorship and the memberships/chairmanships of Committees of the Board, his shareholding in the Company, etc., as stipulated under the Listing Regulations and Secretarial Standards have been furnished separately in the Notice convening this AGM.

Following are the person identified as Key Managerial Personnel of the Company pursuant to the provisions of Section 203 of the Act:

- a) Mr. Gaurav Doshi (DIN: 00166703) - Chairman & Managing Director
- b) Mr. Ronak Doshi (DIN: 00102959) - Whole Time Director-cum- CFO

#### B. Declaration by Independent Directors and re-appointment, if any:

The Company has received the declarations u/s 149(7) of the Act from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under the Act. The Company has also received Disclosure of Interest by Directors as per the provisions of Section 184 of Companies Act, 2013 and that they are not disqualified to become Directors under the Act. In the opinion of the Board of Directors, all the Independent Directors fulfill the criteria of independence as provided under the Act, Rules made thereunder and that they are independent of the management.

#### C. Board Evaluation:

##### i. Independent Directors:

In accordance with the criteria suggested by the Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of Directors (in the absence of the director getting evaluated) on various parameters like engagement, leadership, analysis, decision making, communication, governance, interest of stakeholders, etc. The Board was of the unanimous view that every Independent Director was a reputed professional and brought his rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all Independent Directors in guiding the management to achieving higher growth and continuance of each independent director on the Board will be in the interest of the Company.

##### ii. Non-Independent Directors:

The performance of all the non-independent directors was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. The various criteria considered for the purpose of evaluation included leadership, engagement, transparency, analysis, decision making, functional knowledge, governance, stakeholders etc. The Board was of the unanimous view that all the non-independent directors were providing good business and people leadership.

##### iii. Familiarization Programme to Independent Directors:

Though it is not mandatory for the Company to provide any formal familiarization programme, however the Company provides suitable familiarization programme to Independent Directors so as to associate themselves with the nature of the industry in which the Company operates and business model of the company in addition to regular presentation on technical operations, marketing and exports and financial

statements. In addition to the above, Directors are periodically advised about the changes effected in the Corporate Law, Listing Regulations with regard to their roles, rights and responsibilities as Directors of the Company.

**12. Details of establishment of vigil mechanism for directors and employees:**

The Company has established vigil mechanism pursuant to Section 177(9) of the Companies Act, 2013 for Directors and Employees to report their concerns and has also taken steps to safeguard any person using this mechanism from victimization and in appropriate and exceptional cases; there is direct access to approach Mrs. RenuKathuria (DIN: 01669882), Chairperson of the Audit Committee.

The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. The Policy contains the provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

**13. Details of Committees of the Board:**

Currently, the Board has 3 Committees: the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee as required under the applicable provisions of the Companies Act, 2013 and the Rules made thereunder the details of the committees are as follows:

**(A) Audit Committee**

The Board has constituted an Audit Committee comprising of Mrs. RenuKathuria(DIN: 01669882), Independent Director as the Chairperson of the Committee, Mr. JayantNagarkar (DIN: 00131405), Independent Director and Mr. GauravDoshi(DIN-00166703), Managing Director as the members of the Committee. All the Members of the Audit committee are financially literate and have accounting or related financial management expertise as required under the Companies Act, 2013.

The recommendations of the Audit Committee are always welcomed and accepted by the Board and all the major steps impacting the financials of the Company are undertaken only after the consultation of the Audit Committee. Further, all the recommendations of the Audit Committee were accepted by the Board.

The terms of reference of the Audit Committee are as per the provisions of the Companies Act.

Total five (5) meetings of the Audit Committee were held during the year 2016-17. The dates of Meetings of the Audit Committees held during the financial year and attendance at the meeting by the Committee Members are given in table below:

Name of Directors	Date of Meetings and Presence				
	30.05.2016	13.08.2016	02.09.2016	14.11.2016	14.02.2017
Mrs. Renu Kathuria	Yes	Yes	Yes	Yes	Yes
Mr. JayantNagarkar	Yes	Yes	Yes	Yes	Yes
Mr. GauravDoshi	Yes	Yes	Yes	Yes	Yes

**B. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee was constituted comprising of Mrs. RenuKathuria (DIN: 01669882), Independent Director as the Chairperson of the Committee, and Mr. JayantNagarkar (DIN: 00131405), Independent Director as the Member of the Committee. The appointment and remuneration of the Directors and Key Managerial Personnel is recommended by the Nomination & Remuneration Committee to the Board. The Committee has framed a policy to determine the qualification and attributes for appointment and basis of determination of remuneration of all the Directors, Key Managerial Personnel and other employees. A copy of the policy is annexed as **Annexure 3**.

The Details of remuneration paid to the Directors are given in form MGT-9.

No Directors has drawn any remuneration during the financial year 2016-17.

There was no meeting of the Nomination and Remuneration Committee held during the year 2016-17.

## NEOGEM INDIA LIMITED

### C. Stakeholder's Relationship Committee:

The Stakeholder's Relationship Committee comprises of Mrs.RenuKathuria (DIN 01669882), Independent Director as the Chairperson of the said Committee and Mr. JayantNagarkar (DIN:00131405), Independent Director as the member of the Committee. The role of the Committee is to consider and resolve securities holders' complaint. The meetings of the Committee are held once in a quarter and the complaints are responded within the time frame provided.

Total four (4) meetings of the Stakeholders' Relationship Committee were held during the year 2016-17. The dates of Meetings of the Stakeholders' Relationship Committees held during the financial year and attendance at the meeting by the Committee Members are given in table below:

Name of Directors	Date of Meetings and Presence			
	30.05.2016	13.08.2016	14.11.2016	14.02.2017
Mrs.RenuKathuria	Yes	Yes	Yes	Yes
Mr. JayantNagarkar	Yes	Yes	Yes	Yes

Mr. Mr. GauravDoshi acted as Compliance Officer of the Company.

### 14. Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s Hemanshu Kapadia & Associates, Company Secretaries in Practice to carry out the Secretarial Audit of the Company for the financial year 2016-17.

The Report of the Secretarial Auditor for the financial year 2016-17 is annexed herewith as **Annexure 4**. The management's replies to the observations of the Secretarial Auditors are as under:

Sr. no.	Auditor's Observations	Reply of Management
1.	The Company has not appointed Internal Auditor.	Though the Company has not formally appointed Internal Auditor, in accordance with the size of the Company, the Company has proper internal control systems & procedures in place.
2.	The Nomination & Remuneration Committee does not have 3 or more Non-Executive Directors.	There are two Non-Executive Directors on the Board and both are the Members of Nomination & Remuneration Committee. The Company needs 1 more Non-executive Director & is in the process of searching for the same. As soon as it appoints one more non-executive Director, he/she will be appointed as Member of the Committee.
3.	The Company does not have a Company Secretary.	The Company is searching for a suitable candidate & shall appoint a Whole-time Company Secretary on finding the right candidate.

On the recommendation of the Audit Committee, the Board of Directors in their meeting held on May 30, 2017 has appointed M/s. Hemanshu Kapadia & Associates, Practising Company Secretaries, to carry out the Secretarial Audit of the Company for the financial year 2017-18.

### 15. Number of meetings of the Board of Directors:

The Board of Directors met five (5) times during the Financial Year. The intervening gap between any two meetings was not more than 120 days as prescribed by the Companies Act, 2013. Details of dates of Board meeting and attendance of the Directors are given in table below:

Name of Directors	Date of Meetings and Presence				
	30.05.2016	13.08.2016	02.09.2016	14.11.2016	14.02.2017
Mr. GauravDoshi	Yes	Yes	Yes	Yes	Yes
Mr. RonakDoshi	Yes	Yes	Yes	Yes	Yes
Mr. JayantNagarkar	Yes	Yes	Yes	Yes	Yes
Mrs. Renu Kathuria	Yes	Yes	Yes	Yes	Yes

**16. Particulars of contracts or arrangements with related parties:**

The Company, during the year, has not entered into any transaction, as specified under Section 188(1) of the Companies Act, 2014, with related parties which are not on arms' length basis or are on arms' length basis and material in nature. Accordingly, the disclosure of Related Party Transactions to be provided under section 134(3)(h) of the Companies Act, 2013, in Form AOC – 2 is not applicable.

**17. Directors' Responsibility Statement:**

As stipulated under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors subscribe to the Directors Responsibility Statement and state that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from them;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company & that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**18. Change in the Registrar & Share Transfer Agent (R & TA) of the Company:**

The Registrar & Share Transfer division of the Company's R & TA i.e. System Support Services was merged with Link Intimew.e.f. 15th October, 2016.

**19. Managerial Remuneration:**

- A. Details of the remuneration of each director to the median remuneration of the employees of the Company and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure 5.
- B. Details of the top ten employees in terms of remuneration drawn falling within the purview of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure 6.

**20. Report on Corporate Governance**

Your Company is committed to maintain the highest standards of corporate governance. We believe sound corporate governance is critical to enhance and retain investor trust. We have implemented best corporate governance practices in the Company to enhance long-term shareholder value and respect minority rights in all our business decisions.

As per regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Corporate Governance provisions contained in the said Regulations are not applicable to the Company hence your Company is not required to give report on Corporate Governance. Even though the provisions of Corporate Governance are not applicable to the Company, the Company is in words and spirit follows the most of the provisions of Corporate Governance.

**21. Risk Assessment and Management:**

Your Company has a well-defined Risk Management System in place, as a part of its good Corporate Governance practices. Your Company has assigned the ownership of key risks to various Risk Owners and has made the concerned departments and officials responsible for mitigation plans and review of these risks from time to time. All the risks are identified at various departmental levels and suitable mitigation measures are thereafter adopted. These are subjected to a quarterly review by the Board.

**22. Internal Financial Control System and their Adequacy:**

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The management exercises financial control on the operations through a well-defined budget monitoring process and other standard operating procedures. In addition to the above, the Audit Committee and the Board specifically review the Internal Control and Financial Reporting process prevalent in the Company. Assurance

## **NEOGEM INDIA LIMITED**

on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment and continuous monitoring by functional experts. At the end of the period, the CFO gives a declaration in the appropriate format to certify that the financial statements prepared are accurate and complete in all aspects and that there are no significant issues that can impair the financial performance of the Company.

### **23. Disclosure under the Sexual Harassment of Women at work place (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 Workplace (Prevention, Prohibition and Redressal) Act, 2013. An 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 Policy is gender neutral.

No complaints pertaining to sexual harassment were received during the F. Y. 2016-17.

### **24. Other Disclosures/Reporting:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Details relating to deposits covered under Chapter V of the Act.
- b) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- d) Details of payment of remuneration or commission to Managing Director or Joint Managing Director of the Company from any of its subsidiaries as the Company does not have any Subsidiaries/Joint Venture/Associate Company.
- e) Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013).
- f) Details in respect of frauds reported by Statutory Auditors under section 143(12) other than those which are reportable to the Central Government.
- g) Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.
- h) Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
- i) Details of Subsidiary/Joint Ventures/Associate Companies.
- j) Particulars of loans, guarantees or investments under Section 186.
- k) Reporting on Corporate Social Responsibility as the Company does not attract any of the criteria as mentioned in Section 135(1) of the Act

### **25. Acknowledgements:**

The Board of Directors expresses their deep gratitude for the co-operation and support extended to the Company by its customers, suppliers, Bankers and various Government agencies. Your Directors also place on record the commitment and involvements of the employees at all levels and look forward to their continuous co-operation.

For and on behalf of the Board of Directors

**Gaurav Doshi**  
Chairman & Managing Director  
DIN-00166703  
G-32, Gems & Jewellery Complex III,  
Seepz (SEZ), Andheri (E), Mumbai-400 096

Date: 1st September, 2017  
Place: Mumbai

**Registered Office:**  
G-32, Gems & Jewellery Complex III,  
Seepz (SEZ), Andheri (E), Mumbai-400 096  
CIN: L36911MH1991PLC063357



**ANNEXURE 1**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**1) Industry Structure & Developments and Outlook**

The Gems and Jewellery sector being one of the fastest growing sectors, plays a significant role in the Indian economy, contributing around 6-7 per cent of the country's GDP. It is extremely export oriented and labour intensive.

Based on its potential for growth and value addition, the Government of India has declared the Gems and Jewellery sector as a focus area for export promotion. The Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market.

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. Moreover, India exports 95 per cent of the world's diamonds, as per statistics from the Gems and Jewellery Export Promotion Council (GJEPC).

Gems & Jewellery exports from India grew 10% year-on-year to \$43,156.21 million in the financial year 2016-17, according to figures released by the GJEPC.

Gross exports of cut and polished diamonds in FY 16-17 increased to \$22,783.81 million, up 10.24%, compared with \$20,667.79 million in the previous year.

Exports of gold jewellery rose 1.92% to \$8,721.81 million as compared with \$8,557.26 million in 2015-16 while exports of silver jewellery climbed 35.83% to \$4,020.62 million.

Recent regulatory scenario

- In the Union Budget 2017-18, the Government of India, offered tax cuts for the middle class and other sections of society (5% for the Rs. 250,000-500,000 tax slab; which was 10% initially). All these measures will drive consumption, which will be favourable to the gems and jewellery industry.
- The Government of India's proposal to cut corporate tax rates to 25% for micro, small and medium enterprises (MSMEs) having annual turnover up to Rs.50 Crore (US\$ 7.5 million) will benefit a large number of gems and jewellery exporters from MSME category.
- The Government of India's announcement on establishing gold spot exchange could help in India's participation in determining gold price in the international markets.
- The Reserve Bank of India has announced norms for gold monetisation scheme, which allows individuals, trusts and mutual funds to deposit gold with banks in return for interest, to help reduce gold imports and alleviate pressure on trade balance.
- India has signed a Memorandum of Understanding (MoU) with Russia to source data on diamond trade between the two countries. India is the top global processor of diamonds, while Russia is the largest rough diamond producer. The Government of India is planning to establish a special zone with tax benefits for diamond import and trading in Mumbai, in an effort to develop the city as a rival to Antwerp and Dubai, which are currently the top trading hubs for diamond.
- The demonetisation move is encouraging people to use plastic money, debit/ credit cards for buying jewellery. This is good for the industry in the long run and will create more transparency.

**Outlook**

In the coming years, growth in Gems and Jewellery sector would be largely contributed by the development of large retailers/brands. Established brands are guiding the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry. The improvement in availability along with the reintroduction of low cost gold metal loans and likely stabilisation of gold prices at lower levels is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry.

**2) Opportunities & Threats, Risks & Concerns- SWOT Analysis**

**Strengths:**

- Use of synergy optimization at various functional verticals gives a huge advantage.

## **NEOGEM INDIA LIMITED**

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- Best use of technology to support business operations and expansion.
- In house qualified and technically sound team ensuring production of quality goods and cut down in cost.

### **Weaknesses:**

- Operating in a highly competitive environment with uncertain profit margins.
- Unpredicted gold price movements and its impact on margin.
- Limited area of operation is the bottleneck to exploit untapped markets.
- Frequent change in customer preference for jewellery designs.

### **Opportunities:**

- Scaling of economy resultant out of Brand/Advertisement & Publicity/Procurement of Gold, Product Mix, designs, etc.
- Growing domestic demand.
- Concentrating in one sector makes the Company mature in the industry and gain efficiency in operations.

### **Threats, Risks & Concerns:**

- Depreciating value of Rupee having a direct impact on the prices of diamond.
- Penetration of large corporates jewellery traders cutting down margins.
- Macro-economic factors such as enactment of new laws such as GST, demonetisation and global demand recession affects the industry growth in general.

### **3) Operations**

The Company's Sales decreased from Rs. 23,98,12,217/- in previous year to Rs. 15,14,88,424/- in current year due to adverse market conditions. However the losses of the Company were reduced from Rs. 4,84,46,825/- in the previous year to Rs. 44,81,931/-. The Management of the Company has been putting in its best efforts to reduce the losses and is hopeful for better results in the coming years.

### **4) Internal Controls & their adequacy**

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

### **5) Human Resources & Industrial Relations**

The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, equality and accountability at functional levels.

The effort to rationalize and streamline the work force is a continuous process. The industrial relations scenario remained harmonious throughout the year.

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

**Gaurav Doshi**

Chairman & Managing Director

DIN-00166703

G-32, Gems & Jewellery Complex III,

Seepz (SEZ), Andheri (E), Mumbai-400096

Date: 1st September, 2017

Place: Mumbai

### **Registered Office:**

G-32, Gems & Jewellery Complex III,

Seepz (SEZ), Andheri (E), Mumbai-400096

CIN: L36911MH1991PLC063357

## ANNEXURE 2

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2017**

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

**I. REGISTRATION & OTHER DETAILS:**

1. CIN	L36911MH1991PLC063357
2. Registration Date	25/09/1991
3. Name of the Company	NEOGEMINDIALIMITED
4. Category/Sub-category of the Company	COMPANY LIMITED BY SHARE CAPITAL
5. Address of the Registered office & contact details	G-32 GEMS & JEWELLERY COMPLEX III, 2ND FLOOR, SEEPZ, ANDHERI EAST, MUMBAI-400096
6. Whether listed company	YES
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S. LINK INTIME INDIA PRIVATE LIMITED C 101, 247 PARK, L B S MARG, VIKHROLI WEST, MUMBAI - 400 083 TEL NO: 022 49186270 FAX: 022 49186060

**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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of jewellery of gold, silver and other precious or base metal metal clad with precious metals or precious or semi-precious stones, or of combinations of precious metal and precious or semi-precious stones or of other materials	32111	100

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
		N.A			

## NEOGEM INDIA LIMITED

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

#### i) Category-wise Share Holding

Category of Shareholders	No. Of shares held at the beginning of the year (01.04.2016)				No. Of shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	3431550	0	3431550	41.99	3431550	0	3431550	41.99	0.00
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0.00
c) Bodies Corporates	0	0	0	0	0	0	0	0	0.00
d) Bank/Fl	0	0	0	0	0	0	0	0	0.00
e) Any other	0	0	0	0	0	0	0	0	0.00
<b>SUB TOTAL: (A) (1)</b>	<b>3431550</b>	<b>0</b>	<b>3431550</b>	<b>41.99</b>	<b>3431550</b>	<b>0.00</b>	<b>3431550</b>	<b>41.99</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0.00
b) Other Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks/Fl	0	0	0	0	0	0	0	0	0.00
e) Any other...	0	0	0	0	0	0	0	0	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>3431550</b>	<b>0</b>	<b>3431550</b>	<b>41.99</b>	<b>3431550</b>	<b>0</b>	<b>3431550</b>	<b>41.99</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks/Fl	0	0	0	0	0	0	0	0	0.00
c) Central govt	0	0	0	0	0	0	0	0	0.00
d) State Govt.	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIIS	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates	534579	71600	606179	7.42	356407	71600	428007	5.24	-2.18
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	822836	854450	1677286	20.52	811923	849250	1661173	20.33	-0.20
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	2355285	50800	2406085	29.44	2369621	50800	2420421	29.62	0.18
c) Others (specify)									
Hindu Undivided Family	0	0	0	0.00	69811	0	69811	0.85	0.85
Non Resident Indians (Non Repat)	1600	0	1600	0.02	1600	0	1600	0.02	0.00
Non Resident Indians (Repat)	2500	46800	49300	0.60	2500	46800	49300	0.60	0.00
Clearing Member	0	0	0	0.00	110138	0	110138	1.35	1.35
<b>SUB TOTAL (B)(2):</b>	<b>3716800</b>	<b>1023650</b>	<b>4740450</b>	<b>58.01</b>	<b>3722000</b>	<b>1018450</b>	<b>4740450</b>	<b>58.01</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3716800</b>	<b>1023650</b>	<b>4740450</b>	<b>58.01</b>	<b>3722000</b>	<b>1018450</b>	<b>4740450</b>	<b>58.01</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>7148350</b>	<b>1023650</b>	<b>8172000</b>	<b>100</b>	<b>7153550</b>	<b>1018450</b>	<b>8172000</b>	<b>100</b>	<b>0</b>

ii) Shareholding of Promoters

Sl. No	Shareholder's name	Share holding at the beginning of the year 01.04.2016			Share holding at the end of the year 31.03.2017			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Gaurav Mahindra Doshi	870800	10.66	0	870800	10.66	0	0.0000
2	Rekha Mahindra Doshi	1089950	13.34	0	1089950	13.34	0	0.0000
3	Reshma Ronak Doshi	300000	3.67	0	300000	3.67	0	0.0000
4	Ronak Mahindra Doshi	870800	10.66	0	870800	10.66	0	0.0000
5	Vaitasi Gaurav Doshi	300000	3.67	0	300000	3.67	0	0.0000
	<b>Total</b>	<b>3431550</b>	<b>41.99</b>	<b>0</b>	<b>3431550</b>	<b>41.99</b>	<b>0</b>	<b>0.0000</b>

(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Particulars	Share holding at the beginning of the Year		Increase/ Decrease in no. of shares	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company		No of shares	% of total shares of the company
1.	<b>Gaurav M. Doshi</b>			There has been no change		
	At the beginning of the year	870800	10.66			
	Nil movement during the year					
	At the end of the year				870800	10.66
2.	<b>Rekha M. Doshi</b>			There has been no change		
	At the beginning of the year	1089950	13.34			
	Nil movement during the year					
	At the end of the year				1089950	13.34
3.	<b>Reshma R. Doshi</b>			There has been no change		
	At the beginning of the year	300000	3.67			
	Nil movement during the year					
	At the end of the year				300000	3.67
4.	<b>Ronak M. Doshi</b>			There has been no change		
	At the beginning of the year	870800	10.66			
	Nil movement during the year					
	At the end of the year				870800	10.66
5.	<b>Vaitasi G. Doshi</b>			There has been no change		
	At the beginning of the year	300000	3.67			
	Nil movement during the year					
	At the end of the year				300000	3.67

## NEOGEM INDIA LIMITED

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

Sl. No	Shareholder's name	Share holding at the beginning of the year 01.04.2016		Date	Reason	Share holding at the end of the year 31.03.2017	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the Company
1.	<b>Urvinderpal Attarsingh</b>						
	At the beginning of the year - 1.4.2016	800000	9.79				
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)						
	At the end of the year - 31.3.2017					800000	9.79
2.	<b>Dhyan Stock Broking Pvt. Ltd.</b>						
	At the beginning of the year - 1.4.2016	225200	2.76				
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)						
	At the end of the year - 31.3.2017					225200	2.76
3.	<b>Jignesh Mehta</b>						
	At the beginning of the year - 1.4.2016	167300	2.05				
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)						
	At the end of the year - 31.3.2017					167300	2.05
4.	<b>Mahesh Chain Khubchandani</b>						
	At the beginning of the year - 1.4.2016	128300	1.57				
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)						
	At the end of the year - 31.3.2017					128300	1.57
5.	<b>Puja Shrenik Bagadia</b>						
	At the beginning of the year - 1.4.2016	120000	1.47				
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)						
	At the end of the year - 31.3.2017					120000	1.47
6.	<b>Darshana Shashikant Bagadia</b>						
	At the beginning of the year - 1.4.2016	120000	1.47				
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)						
	At the end of the year - 31.3.2017					120000	1.47

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Sl. No	Shareholder's name	Share holding at the beginning of the year 01.04.2016		Date	Reason	Share holding at the end of the year 31.03.2017	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the Company
7.	<b>Paniben Mohanlal Jain</b>						
	At the beginning of the year - 1.4.2016	119000	1.46				
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)						
	At the end of the year - 31.3.2017					119000	1.46
8.	<b>Jyoti Rajesh Bagadia</b>						
	At the beginning of the year - 1.4.2014	107500	1.32				
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)						
	At the end of the year - 31.3.2016					107500	1.32
9.	<b>NNM Securities Pvt. Ltd.</b>						
	At the beginning of the year - 1.4.2016	139404	1.71				
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			24.03.2017	-37700	Transfer	
	At the end of the year - 31.3.2017					101704	1.24
10.	<b>Samkit Rakyan</b>						
	At the beginning of the year - 1.4.2016	84300	1.03				
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)						
	At the end of the year - 31.3.2017					84300	1.03

**(v) Shareholding of Directors & KMP**

Sl. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year		Increase/ Decrease in no. of shares	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company		No of shares	% of total shares of the company
1.	<b>Gaurav Mahindra Doshi</b>					
	At the beginning of the year	870800	10.66			
	Nil movement during the year					
	At the end of the year				870800	10.66
2.	<b>Ronak Mahindra Doshi</b>					
	At the beginning of the year	870800	10.66			
	Nil movement during the year					
	At the end of the year				870800	10.66

## NEOGEM INDIA LIMITED

### v) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	182,832,023	0	205,740	183,037,763
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>182,832,023</b>	<b>0</b>	<b>205,740</b>	<b>183,037,763</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction	-3,989,976	0	0	0
Net Change	-3,989,976	0	0	0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	178,842,047	0	205,740	179,047,787
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>178,842,047</b>	<b>0</b>	<b>205,740</b>	<b>179,047,787</b>

### vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Gaurav M. Doshi MD	Mr. Ronak M. Doshi (WTD-cum-CFO)	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit			
	- others, specify...			
5	Others, please specify			
	<b>Total (A)</b>	-	-	-
	Ceiling as per the Act	Rs.42,00,000 per managerial personnel (As per Section II, Part II of Schedule V of the Companies Act, 2013)		



**B. Remuneration to other Directors**

Sl.No	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	Ms. Renu Kathuria	Mr. Jayant Nagarkar	
	(a) Fee for attending board committee meetings	0	0	0
	(b) Commission	0	0	0
	(c) Others, please specify	0	0	0
	Total (1)	0	0	0
2	Other Non Executive Directors	Not Applicable as there are no Non Executive Directors		
	(a) Fee for attending board committee meetings			
	(b) Commission			
	(c) Others, please specify.			
	Total (2)			
	Total (B)=(1+2)			
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

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

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

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					

## **NEOGEM INDIA LIMITED**

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### **ANNEXURE 3**

### **NOMINATION & REMUNERATION POLICY**

#### **Introduction:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Senior Management Level of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Section 178 of the Companies Act, 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

#### **Terms of Reference:**

The Board of Directors in its meeting held on the 30th May 2014 reconstituted the Existing Remuneration Committee of Directors as "Nomination & Remuneration Committee" of Directors with the following terms of reference:-

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel
- To provide them reward-linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria, the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on the 30th May 2014.

**Effective Date:** This policy shall be effective from the 1st April, 2014. Constitution of the Nomination and Remuneration Committee

The Board has reconstituted the Nomination and Remuneration Committee in the Board meeting dated 4th March, 2016.

1. Mrs. Renu Kathuria (DIN: 01669882) Chairperson
2. Mr. Jayant Nagarkar (DIN: 00131405) Member

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirements.

#### **Definitions:**

1. Board means Board of Directors of the Company.
2. Directors mean Directors of the Company.
3. Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
4. Company means Neogem India Limited
5. Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
6. Key Managerial Personnel (KMP) means
  - i. Executive Chairman and / or Managing Director
  - ii. Whole-time Director
  - iii. Chief Financial Officer
  - iv. Company Secretary
  - v. Such other officer as may be prescribed under the applicable statutory provisions / regulations
  - vi. Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning, respectively, assigned to them therein.

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**Applicability:** The Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

**General**

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration, perquisites, etc.

**PART A: MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy
- Recommend to the Board, appointment and removal of a Director, KMP and Senior Management Personnel

**PART – B: POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as a Whole- time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**4. Term / Tenure:**

1. **Managing Director/Whole-time Director:** - The Company shall appoint or reappoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. **Independent Director:** - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company

**Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

- **Removal:** Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of and compliance with the said Act, rules and regulations.

## NEOGEM INDIA LIMITED

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- **Retirement:** The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **PART – C POLICY RELATING TO THE REMUNERATION FOR THE MANAGING DIRECTOR, WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

#### **General:**

1. The remuneration / compensation / commission, etc. to the Managing Director, Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company & Central Government, as required.
2. The remuneration and commission to be paid to the Managing Director and the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### ● **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

1. **Fixed pay:** The Managing Director, Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees, etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and the Central Government, wherever required
2. **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and the Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.
3. **Provisions for excess remuneration:** If the Managing Director or the Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

#### ● **Remuneration to Non- Executive / Independent Director:**

1. **Remuneration / Commission:** The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.
2. **Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, provided that the amount of such fees shall not exceed Rs.20,000/- per meeting of the Board or Committee or such amount as may be prescribed/decided by the Board from time to time.
3. **Commission:** Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
4. **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company

#### **POLICY REVIEW**

This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulation which makes any provision of the policy inconsistent with the Act or Regulations, the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make them consistent with the law.

The Policy shall be reviewed by the Nomination and Remuneration Committee as and when changes need to be incorporated in the policy due to changes in regulations or as may be felt appropriate by the Committee. Any change or modification in the policy as recommended by the Committee shall be placed for approval to the Board.

**ANNEXURE 4**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**For the Financial year ended 31st March 2017**

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

To,  
The Members,  
Neogem India Limited  
G-32, Gems&JewelleryComplex III,  
Seepz (SEZ), Andheri (East), Mumbai-400 096  
CIN: L36911MH1991PLC063357

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Neogem India Limited(hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Neogem India Limited("the Company") for the financial year ended on 31st March 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;(Not Applicable to the Company during the Audit period as the Company has not issued any ESOP/ESPS);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not Applicable to the Company during the Audit period as the Company has not issued any Debt instruments/ Securities);
  - (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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not Applicable to the Company during the Audit period as delisting of securities did not take place); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not Applicable to the Company during the Audit period as the Company has not Bought back its securities);
- (vi) Other laws applicable specifically to the Company namely:
  - i. Special Economic Zone Act, 2005 and the Rules made thereunder

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

## **NEOGEM INDIA LIMITED**

1. The Company has not appointed a Whole- time Company Secretary as required pursuant to Section 203 of the Companies Act, 2013 along with Regulation 6 of LODR.
2. The Nomination and Remuneration Committee is not in conformity with the Companies Act, 2013 as according to Section 178 of the Companies Act, 2013, the Committee shall comprise of three or more Non-Executive Director, while Company has only 2 Non-Executive Director.
3. The Company has not appointed Internal Auditor as required under Section 138 of the Companies Act, 2013.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directorsexcept our observation above relating to composition of Nomination and Remuneration Committee. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All the decisions were carried out unanimously during the year under review, however, as confirmed by the management, mechanism to capture and record the dissenting members' views as a part of the minutes, exist.

We further report thatthere 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.

We further report thatduring the audit period,there were no instances of:

- (i) Public/Rights/debentures/sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger /amalgamation /reconstructionetc.
- (iv) Foreign technical collaborations.

**For Hemanshu Kapadia & Associates**

**Hemanshu Kapadia**  
Proprietor  
C.P. No.: 2285  
Membership No.: 3477

Date:1st September 2017  
Place: Mumbai

This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

### **Annexure to Secretarial Audit Report**

To,  
The Members,  
Neogem India Limited  
G-32, Gems&JewelleryComplex III,  
Seepz (SEZ), Andheri (East), Mumbai-400 096  
CIN: L36911MH1991PLC063357

Our report of even date is to be read along with the letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our 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.

**For HemanshuKapadia& Associates**

**HemanshuKapadia**  
Proprietor  
C. P. No. 2285  
Membership No. 3477

Date: 1st September 2017  
Place: Mumbai

**ANNEXURE 5**

**DETAILS OF REMUNERATION**

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year:  
Not applicable as no remuneration is paid to the Directors.  
The median remuneration of employees of the Company during the Financial Year was Rs.239,205/-.
- ii. the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:  
Not applicable as no remuneration is paid to the Directors and Key Managerial Personnel (KMP).
- iii. The percentage increase in the median remuneration of employees in the Financial Year:  
In the Financial Year, there was an increase of 13.97% in the median remuneration of employees.
- iv. The number of permanent employees on the rolls of Company:  
There were 29 (Including KMP) permanent employees on the rolls of the Company as on March 31, 2017.
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
Average percentile increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2016-17 was 45.11% whereas no remuneration was paid to managerial personnel of the Company during the financial year 2016-17.
- vi. Affirmation that the remuneration is as per the remuneration policy of the Company:  
It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

**Gaurav Doshi**  
Chairman & Managing Director  
DIN-00166703  
Mention G-32 address

Date: 1st September, 2017  
Place: Mumbai

## NEOGEM INDIA LIMITED

### ANNEXURE 6

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The details of top ten employees of the Company:

Name	Gautam Maheshwari	Manisha Jangli
Designation	Marketing & Sales Manager	Sr Accountant
Remuneration paid	Rs. 4,22,400/-	Rs. 3,47,257/-
Nature of employment	Permanent	Permanent
Qualifications and Experience	Diploma in Computer	TYBCOM
Date of commencement of employment	01.12.2014	01.08.2015
Age	35	39
Previous Employment	Perfection Advertising	Kiran Jewels
No. of shares in the Company	NA	NA
Whether relative of Director or employee	NA	NA

Name	Xavier Rodrigues	Rajesh Ahire
Designation	HR Executive	Setting Supervisor
Remuneration paid	Rs. 2,79,339/-	Rs. 2,57,338/-
Nature of employment	Permanent	Permanent
Qualifications and Experience	SYBCOM	9th Std
Date of commencement of employment	01.12.2014	01.12.2014
Age	43	39
Previous Employment	Circle K Office System	Intergold
No. of shares in the Company	NA	NA
Whether relative of Director or employee	NA	NA

Name	Bharat Sanghani	Madhukar Nikam
Designation	Stores In-charge	Import Export Officer
Remuneration paid	Rs. 2,58,000/-	Rs. 2,49,348/-
Nature of employment	Permanent	Permanent
Qualifications and Experience	SSC	TYBCOM
Date of commencement of employment	01.01.2014	01.04.2014
Age	64	47
Previous Employment	Darshan Marketing Pvt Ltd	Rajkumar Shipping Co
No. of shares in the Company	NA	NA
Whether relative of Director or employee	NA	NA



**Annual Report 2016-2017**

<b>Name</b>	<b>Anita Nikam</b>	<b>Sachin Kanal</b>
Designation	Data Entry Operator	Quality Control
Remuneration paid	Rs. 2,43,392/-	Rs. 2,39,205/-
Nature of employment	Temporary	Permanent
Qualifications and Experience	SSC	SSC
Date of commencement of employment	01.04.16	01.12.2014
Age	46	36
Previous Employment	NA	Shreejee Jewelry
No. of shares in the Company	NA	NA
Whether relative of Director or employee	NA	NA

<b>Name</b>	<b>Santosh Khambe</b>	<b>Sunil Rai</b>
Designation	Prod Accountant	Polisher
Remuneration paid	Rs. 2,35,782/-	Rs. 2,00,548/-
Nature of employment	Permanent	Permanent
Qualifications and Experience	SYBA	SSC
Date of commencement of employment	01.04.2016	01.04.16
Age	39	43
Previous Employment	NA	C MAHENDRA
No. of shares in the Company	NA	NA
Whether relative of Director or employee	NA	NA

**Note:** No employees fall within the limit specified under of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## **NEOGEM INDIA LIMITED**

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### **Independent Auditor's Report**

To the Members of  
**Neogem India Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Neogem India Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 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.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

Without qualifying our opinion, we draw attention to note 2.23 of the financial statement relating to cash credit limit from Punjab National Bank and Bank of India, which has been classified as "Non – Performing Assets" by the lead banker as on 31-03-2016. The company has not received balance confirmation from the bankers as on 31-03-2017. Pending confirmation received the company has not provided for interest payable in the financial statement till 31-03-2017, since the same is not quantifiable and accordingly the loss for the year is understated to that extent.

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, of the state of affairs of the Company as at March 31, 2017, and its Loss and its Cash Flow 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"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and

belief were necessary for the purpose of our audit;

- b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. In our opinion there are no observations or comments on the financial transactions, which may have an adverse effect on the functioning of the Company subject to note no. 2.23.
- f. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- g. Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of section 143 of the companies Act, 2013 ("the Act") is enclosed as an annexure "B" to this report.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigation as at March 31, 2017 which would impact its financial position.
  - ii) The Company did not have any long-term contracts including derivative contracts hence the question of making a provision for any resulting material foreseeable losses does not arise; and
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For ASHOK BAIRAGRA & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 118677W

Place : Mumbai  
Date : 30th May, 2017

**Ashish Jalan**  
Partner (M.No. A 125707)

#### **Annexure "A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - c. The title deeds of immovable properties are held in the name of the company.
- 2) The physical verification of inventory have been conducted at reasonable intervals by management during the year. The discrepancies noticed on physical verification of inventory as compared to books records were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013; In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank

## **NEOGEM INDIA LIMITED**

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of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- 6) 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 Act, in respect of the activities carried on by the company.
- 7) a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been 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 with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.  
b. According to the information and explanation given to us, there are no dues of income tax, sale tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) Based on our audit procedure and according to the information and explanations given to us by the management, the Company has defaulted in the repayment of dues to banks. We draw attention to note 2.23 of the financial statement relating to cash credit limit from Punjab National Bank and Bank of India, which has been classified as "Non – Performing Assets" by the lead banker as on 31-03-2016. The company has not received balance confirmation from the bankers as on 31-03-2017. Pending confirmation received the company has not provided for interest payable in the financial statement till 31-03-2017, since the same is not quantifiable and accordingly the loss for the year is understated to that extent.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 I A of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For ASHOK BAIRAGRA & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 118677W

Place : Mumbai  
Date : 30th May, 2017

**Ashish Jalan**  
Partner (M.No. A 125707)

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**Annexure “B” to the Independent Auditor’s report of even date on the financial statement of Neogem India Limited**

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

We have audited the internal financial controls over financial reporting of (“the Company”) as of 31-Mar-2017 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that;

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2017.

**For ASHOK BAIRAGRA & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 118677W

**Ashish Jalan**  
Partner (M.No. A 125707)

Place : Mumbai  
Date : 30th May, 2017

**NEOGEM INDIA LIMITED****Balance Sheet as at 31st March, 2017**

Particulars	Note No	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	81,720,000	81,720,000
(b) Reserves and Surplus	2.2	11,005,235	15,487,166
<b>(2) Share Application Money pending allotment</b>	-	-	
<b>(3) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	2.3	210,402	196,260
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	2.4	178,842,047	182,832,022
(b) Trade Payables	2.5	191,976,781	204,895,767
(c) Other Current Liabilities	2.6	3,513,321	3,753,263
(d) Short-Term Provisions	2.7	558,091	10,715,938
<b>TOTAL</b>		<b>467,825,877</b>	<b>499,600,416</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	2.8	3,487,978	4,259,528
(b) Non-Current Investments	2.9	14,040	14,040
(c) Long-Term Loans and Advances	2.10	205,740	205,740
<b>(2) Current Assets</b>			
(a) Inventories	2.11	6,530,128	16,705,368
(b) Trade Receivables	2.12	446,110,151	460,724,604
(c) Cash and Cash Equivalents	2.13	3,811,348	3,942,723
(d) Short-Term Loans and Advances	2.14	7,666,490	13,748,413
<b>TOTAL</b>		<b>467,825,877</b>	<b>499,600,416</b>
Significant accounting policies and Notes to Accounts:	01 - 02		

The Schedules referred above form an integral part of the Balance Sheet

**Auditors' Report**

As per our Report of even date attached

**For Ashok Bairagra & Associates**

Chartered Accountants

Firm Reg. No. 118677W

**Ashish Jalan**

Partner

Membership No. : F-125707

Place: Mumbai

Dated: 30th May, 2017

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

**Gaurav Doshi**

Chairman &  
Managing Director

**Ronak Doshi**

Vice Chairman &  
Whole Time Director

**Profit & Loss Statement for the year ended 31st March, 2017**

Particulars	Note No	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>I. Revenue from Operations</b>	2.15	<b>151,488,424</b>	239,812,217
<b>III. Total Revenue (I + II)</b>		<b>151,488,424</b>	239,812,217
<b>IV. Expenses:</b>			
Manufacturing Expenses			
Cost of Materials Consumed	2.16	<b>110,845,223</b>	200,547,106
Purchases of Stock-in-Trade	2.17	<b>2,809,367</b>	13,340,464
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.18	<b>1,093,036</b>	955,475
Employee Benefits Expenses	2.19	<b>7,024,184</b>	9,532,033
Finance Costs	2.20	<b>556,869</b>	13,217,999
Depreciation and Adjustment Expense	2.21	<b>771,550</b>	788,859
Other Expenses	2.22	<b>31,028,832</b>	50,089,985
<b>Total Expenses</b>		<b>154,129,060</b>	288,471,922
<b>V. Profit before Exceptional and Extraordinary Items and Tax (III - IV)</b>		<b>(2,640,636)</b>	(48,659,705)
<b>VI. Exceptional Items</b>		-	2,700
<b>VII. Profit before Extraordinary Items and Tax (V - VI)</b>		<b>(2,640,636)</b>	(48,662,405)
<b>VIII. Extra Ordinary Items</b>		-	-
<b>IX. Profit before Tax (VII - VIII)</b>		<b>(2,640,636)</b>	(48,662,405)
<b>X. Tax Expense:</b>			
(1) Current tax		-	-
(2) Income Tax of Earlier Year		<b>(1,827,153)</b>	-
(2) Deferred Tax		<b>(14,142)</b>	185,579
<b>XI. Profit/ (Loss) for the period from Continuing Operations (IX - X)</b>		<b>(4,481,931)</b>	(48,476,825)
<b>XII. Profit/Loss from Discontinuing Operations</b>		-	-
<b>XIII. Tax Expense of Discontinuing Operations</b>		-	-
<b>XIV. Profit/ (Loss) from Discontinuing Operations (after Tax) (XII - XIII)</b>		-	-
<b>XV. Profit/ (Loss) for the Period (XI + XIV)</b>		<b>(4,481,931)</b>	(48,476,825)
<b>XVI. Earnings Per Equity Share</b>			
(1) Basic		<b>(0.55)</b>	(5.93)
(2) Diluted		<b>(0.55)</b>	(5.93)

Significant accounting policies and Notes to Accounts: 01 -02

The Schedules referred above form an integral part of the Balance Sheet

**Auditors' Report**

As per our Report of even date attached

**For Ashok Bairagra & Associates**

Chartered Accountants

Firm Reg. No. 118677W

**Ashish Jalan**

Partner

Membership No. : F-125707

Place: Mumbai

Dated: 30th May, 2017

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

**Gaurav Doshi**

Chairman &  
Managing Director

**Ronak Doshi**

Vice Chairman &  
Whole Time Director

## NEOGEN INDIA LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	2016-2017	2015-2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before taxation and extra - ordinary items	(2,640,636)	(48,662,405)
Adjustment for		
Depreciation	771,550	788,859
Interest Expenses	556,869	13,217,999
Interest Income	-	14,006,857
<b>Operating Profit before working capital changes</b>	<b>(1,312,217)</b>	<b>(34,655,547)</b>
Adjustment for Working Capital :		
<b>(Increase) / Decrease in current asset :</b>		
(Increase)/ Decrease in Debtors	14,614,453	94,216,836
(Increase)/ Decrease in Inventories	10,175,240	88,403,150
(Increase)/ Decrease in Loans & advances	4,254,770	10,342,856
<b>Increase/ (Decrease) in current liability :</b>		
Increase/ (Decrease) in Creditors for goods	(12,918,986)	(161,576,922)
Increase/ (Decrease) in Creditors for expenses	(239,942)	(6,056,109)
<b>Cash generated from operations</b>	<b>14,573,317</b>	<b>(9,325,736)</b>
Less : Income Tax & FBT paid	(10,157,847)	(133,417)
Less : Extraordinary Item		
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>4,415,470</b>	<b>(9,459,152)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(691,706)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>(691,706)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest on borrowings	(556,869)	(13,217,999)
Proceeds from Borrowings	(3,989,976)	20,501,499
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(4,546,845)</b>	<b>7,283,500</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS</b>	<b>(131,375)</b>	<b>(2,867,358)</b>
<b>CASH &amp; CASH EQUIVALENTS OPENING BALANCE</b>	<b>3,942,723</b>	<b>6,810,081</b>
<b>CASH &amp; CASH EQUIVALENTS CLOSING BALANCE</b>	<b>3,811,348</b>	<b>3,942,723</b>

#### Auditors' Report

As per our Report of even date attached

**For Ashok Bairagra & Associates**

Chartered Accountants

Firm Reg. No. 118677W

**ASHISH JALAN**

Partner

Membership No. :- F-125707

Place : Mumbai.

Dated: 30th May, 2017

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

**GAURAV DOSHI**

Chairman &  
Managing Director

**RONAK DOSHI**

Vice Chairman &  
Whole Time Director



**NOTE “1”**

**SIGNIFICANT ACCOUNTING POLICIES**

**i. Basis of Preparation of Financial Statements**

The financial statements have been prepared to comply with all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

**ii. Use of Estimates**

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

**iii. Fixed Assets**

Fixed Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any.

**iv. Depreciation**

In respect of premises, depreciation is computed on the Straight Line Method based on remaining useful lives of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.

**v. Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**vi. Foreign Currency Transactions**

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b. Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- c. Non-monetary foreign currency items are carried at cost.
- d. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**vii. Investments**

Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

**viii. Inventories**

- a. Raw Material is valued at cost on FIFO basis or Market Value whichever is lower.
- b. WIP Stock is valued at cost on FIFO basis.
- c. Finished Goods is valued at cost on FIFO basis or net realizable value whichever is lower.

## **NEOGEM INDIA LIMITED**

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- d. Diamond included in the above stock is valued at specific identification method on FIFO basis. Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any.

Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

### **ix. Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

The Company recognizes revenue on dispatch of goods. In case of Job Work, the revenue is recognized upon completion of the job and dispatch of goods.

Revenue from operations includes sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net), Value Added Tax (VAT) and gain / loss on corresponding hedge contracts.

Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

### **x. Employee Benefits**

#### **Gratuity**

In respect of Gratuity, the provision is made on Accrual Basis as per actuarial valuation at the year end.

#### **Leave Encashment**

Provision is made for Leave Encashment liability on the basis of Actual Calculation.

#### **Provident Fund & Family Pension**

Contribution to provident fund & family pension fund are provided for & payments in respect thereof are made to the relevant authorities on actual basis.

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post-employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Profit and Loss account.

### **xi. Financial Derivatives and Commodity Hedging Transactions**

Financial derivatives and commodity hedging contracts are accounted on the date of their settlement. In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement are recognized in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

### **xii. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### **xiii. Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961.

Deferred tax resulting from "Timing Difference" between Book and Taxable profit is accounted for using the tax rates & laws that have been enacted or substantively enacted on the balance sheet date. The Deferred tax assets is recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence that the asset will be realized in future.

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Net outstanding balance in Deferred tax account is recognized as Deferred tax liabilities / asset. The Deferred tax account is used solely for reversing timing difference as and when crystalized.

**xiv. Cash Flow Statement**

The Cash Flow statement is being prepared in accordance with the format prescribed in Accounting Standard 3 prescribed by the ICAI.

**xv. Prior Period Items**

All identifiable items of Income and Expenditure pertaining to prior period are accounted through "Income / Expense of earlier year accounts"

**xvi. Related Party Transaction**

Disclosure of transaction with Related Parties, as required by Accounting Standard 18 "Related Party Disclosure" has been set out in a separate note forming part of this schedule. Related parties as defined under clause 3 of the accounting standard 18 have been identified on the basis of representations made by key management personnel and information available with the company.

**xvii. Earning per Share**

Basic and Diluted earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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**For Ashok Bairagra & Associates**

Chartered Accountants  
Firm Reg. No. 118677W

**Ashish Jalan**

Partner  
Membership No. : F-125707

Place: Mumbai

Date : 30th May, 2017

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

**Gaurav Doshi**

Chairman &  
Managing Director

**Ronak Doshi**

Vice Chairman &  
Whole Time Director

## NEOGEM INDIA LIMITED

### NOTES FORMING PART OF THE ACCOUNTS

NOTE '2.1' SHARE CAPITAL	As at 31.03.2017 ₹	As at 31.03.2016 ₹
<b>AUTHORISED :</b> 1,00,00,000 Equity Shares of Rs.10/-each	100,000,000	100,000,000
<b>ISSUED, SUBSCRIBED, CALLED UP AND FULLY PAID UP :</b> 81,72,000 Equity Shares of Rs.10/- each (P.Y. 81,72,000 Equity Shares of Rs.10/- each)	81,720,000	81,720,000
<b>TOTAL</b>	<b>81,720,000</b>	<b>81,720,000</b>

(i) Details of shareholders holding more than 5% of shares.

Name of Shareholders	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	% Held	No. of Shares	% Held
Urvinderpal Attarsingh	8,00,000	9.79	8,00,000	9.79
Gaurav Doshi	8,70,800	10.66	8,70,800	10.66
Rekha Doshi	10,89,950	13.34	10,89,950	13.34
Ronak Doshi	8,70,800	10.66	8,70,800	10.66

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

Particulars	As at 31.03.2017	As at 31.03.2016
Number of Equity Share at the beginning of year	8,172,000	7,880,000
Add : Number of Share issued during the year	-	292,000
Number of Equity Share at the end of the year	8,172,000	8,172,000

NOTE 2.2 RESERVES & SURPLUS	As at 31.03.2017 ₹	As at 31.03.2016 ₹
1. Share Premium Account		
As per last Balance Sheet	6,116,000	6,116,000
Add:- On further Issue of Capital	-	-
Closing Balance	6,116,000	6,116,000
2. Profit & Loss Account	5,915,166	54,391,992
Add : During The Year	(4,481,931)	(48,476,825)
Closing Balance	1,433,235	5,915,166
3. Share Warrant Forefeited Account*	3,456,000	3,456,000
<b>TOTAL</b>	<b>11,005,235</b>	<b>15,487,166</b>

\* Share application money received against allotment of 7,68,000 warrants allotted to the promoters as per the SEBI (ICDR) Regulations 2009 for which approval of shareholders was obtained in the AGM held on 30.09.2013 which was due for conversion on 20.8.2015 has been forfeited as no further call money was received till the date of expiration of share warrant

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<b>NOTE 2.3 DEFERRED TAX LIABILITY &amp; DEFERRED TAX ASSET</b>	<b>As at 31.03.2017</b> ₹	<b>As at 31.03.2016</b> ₹
Deffered Tax Liability due to difference between Book & Tax Depreciation (Net)	<b>210,402</b>	196,260
<b>NET DEFERRED TAX LIABILITY/ (ASSETS)</b>	<b>210,402</b>	196,260

<b>NOTE 2.4 SHORT TERM BORROWINGS</b>	<b>As at 31.03.2017</b> ₹	<b>As at 31.03.2016</b> ₹
<b>SECURED</b>		
Working Capital Loan from Banks*	178,842,047	182,832,022
<b>TOTAL</b>	<b>178,842,047</b>	182,832,022

\* Working Capital (Secured Loan) from Punjab National Bank and Bank of India.

<b>NOTE 2.5 TRADE PAYABLES</b>	<b>As at 31.03.2017</b> ₹	<b>As at 31.03.2016</b> ₹
Micro, Small & Medium Enterprises*	<b>254,408</b>	135,705
Others	<b>191,722,373</b>	204,760,062
<b>TOTAL</b>	<b>191,976,781</b>	204,895,767

\* Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006.

The information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

<b>NOTE 2.6 OTHER CURRENT LIABILITIES</b>	<b>As at 31.03.2017</b> ₹	<b>As at 31.03.2016</b> ₹
Other Curreernt Liabilities	<b>3,513,321</b>	3,753,263
<b>TOTAL</b>	<b>3,513,321</b>	3,753,263

<b>NOTE 2.7 SHORT - TERM PROVISIONS</b>	<b>As at 31.03.2017</b> ₹	<b>As at 31.03.2016</b> ₹
<b>PROVISION FOR TAXES</b>		
A Y 2012 - 2013	-	4,572,000
A Y 2013 - 2014	-	4,875,000
A Y 2014 - 2015	-	650,000
A Y 2015 - 2016	-	60,847
Gratuity	<b>353,248</b>	353,248
Leave Encashment	<b>204,843</b>	204,843
<b>TOTAL</b>	<b>558,091</b>	10,715,938

## NOTE 2.8 Tangible Assets as on 31st March 2017

Amount in Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	AS AT 01.04.2016	ADDITION DURING YEAR	DEDUCTION DURING YEAR	AS AT 31.03.2017	PROVISION UP TO 31.03.2016	DEDUCTION ON SALES OF ASSETS	PROVISION FOR THE YEAR	ADJUSTMENT DURING THE YEAR	TOTAL DEPN. 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
LAND	440,029	-	-	440,029	-	-	-	-	-	440,029	440,029
PLANT & MACHINERY	13,938,947	-	-	13,938,947	10,467,285	-	676,296	-	11,143,581	2,795,366	3,471,662
ELECTRICAL FITTINGS	941,409	-	-	941,409	807,170	-	52,881	-	860,051	81,358	134,239
INTERIOR WORKS	5,860,075	-	-	5,860,075	5,833,850	-	21,392	-	5,855,242	4,833	26,225
UTILITIES	273,030	-	-	273,030	273,030	-	-	-	273,030	-	-
FURNITURE & FIXTURES	3,080,226	-	-	3,080,226	3,049,109	-	6,608	-	3,055,717	24,509	31,117
FACTORY EQUIPMENTS	87,871	-	-	87,871	37,853	-	7,255	-	45,109	42,762	50,018
OFFICE EQUIPMENTS	786,363	-	-	786,363	696,543	-	1,992	-	698,535	87,828	89,820
AIR CONDITIONERS	1,313,976	-	-	1,313,976	1,313,976	-	-	-	1,313,976	-	-
COMPUTERS	2,090,083	-	-	2,090,083	2,076,510	-	5,126	-	2,081,635	8,449	13,573
MOTOR BIKE	41,894	-	-	41,894	39,049	-	-	-	39,049	2,845	2,845
<b>TOTAL</b>	<b>28,853,903</b>	<b>-</b>	<b>-</b>	<b>28,853,903</b>	<b>24,594,376</b>	<b>-</b>	<b>771,550</b>	<b>-</b>	<b>25,365,926</b>	<b>3,487,978</b>	<b>4,259,528</b>
<b>PREVIOUS YEAR</b>	<b>28,162,197</b>	<b>691,706</b>	<b>-</b>	<b>28,853,903</b>	<b>23,805,517</b>	<b>-</b>	<b>788,859</b>	<b>-</b>	<b>24,594,376</b>	<b>4,259,528</b>	<b>4,356,680</b>

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<b>NOTE 2.9 NON - CURRENT INVESTMENTS</b>	<b>As at 31.03.2017</b> ₹	<b>As at 31.03.2016</b> ₹
Punjab National Bank 180 shares of Face Value Rs. 2 (P. Y . 180 shares)	<b>14,040</b>	14,040
<b>TOTAL</b>	<b>14,040</b>	14,040
* Book Value of Quated Investment	14,040	14,040
* Market Value of Quated Investment	27,126	15,246

<b>NOTE 2.10 LONG TERM LOANS AND ADVANCES</b>	<b>As at 31.03.2017</b> ₹	<b>As at 31.03.2016</b> ₹
Security Deposit	<b>205,740</b>	205,740
<b>TOTAL</b>	<b>205,740</b>	205,740

<b>NOTE 2.11 INVENTORIES</b>	<b>As at 31.03.2017</b> ₹	<b>As at 31.03.2016</b> ₹
1. Raw Materials	<b>4,892,616</b>	13,040,314
2. Finished Goods	<b>779,898</b>	794,045
3. Work In Progress	<b>526,174</b>	1,605,064
4. Masters & Moulds	<b>216,847</b>	269,112
5. Stores, Spares & Tools	<b>114,592</b>	134,003
6. Trading Goods	-	862,830
<b>TOTAL</b>	<b>6,530,128</b>	16,705,368

<b>NOTE 2.12 TRADE RECEIVABLES</b>	<b>As at 31.03.2017</b> ₹	<b>As at 31.03.2016</b> ₹
Unsecured, Considered Good		
- Outstanding for a period exceeding six months	<b>443,565,696</b>	391,709,689
- Others	<b>2,544,455</b>	69,014,915
Less: Allowance for Bad & Doubtful Debts	-	-
Doubtful	-	-
<b>TOTAL</b>	<b>446,110,151</b>	460,724,604

\* Debts considered good for which the company holds no security other than the Debtors Personal Security.

<b>NOTE 2.13 CASH AND CASH EQUIVALENTS</b>	<b>As at 31.03.2017</b> ₹	<b>As at 31.03.2016</b> ₹
Balance with Banks With Schedule Bank In Current A/c Cash on Hand	<b>3,394,317</b> <b>417,032</b>	3,652,506 290,217
<b>TOTAL</b>	<b>3,811,348</b>	3,942,723

<b>NOTE 2.14 SHORT TERM LOANS AND ADVANCES</b>	<b>As at 31.03.2017</b> ₹	<b>As at 31.03.2016</b> ₹
Others Advance Tax & T.D.S VAT Receivable Other Advances	<b>40,845</b> <b>2,170,477</b> <b>5,455,168</b>	609,679 1,756,213 11,382,522
<b>TOTAL</b>	<b>7,666,490</b>	13,748,413

## NEOGEM INDIA LIMITED

<b>NOTE 2.15 REVENUE FROM OPERATIONS</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
	₹	₹
Sale of Products	151,488,424	234,737,827
Gain on Foreign Exchange	-	5,074,390
<b>TOTAL</b>	<b>151,488,424</b>	<b>239,812,217</b>

<b>NOTE 2.16 COST OF MATERIAL CONSUMED</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
	₹	₹
Opening Stock	13,040,314	100,284,486
Add : Purchase During the Year	102,697,525	113,302,935
Less : Closing Stock	4,892,616	13,040,314
Consumption Of Raw Material During The Year	110,845,223	200,547,106
<b>TOTAL</b>	<b>110,845,223</b>	<b>200,547,106</b>

<b>NOTE 2.17 PURCHASES OF STOCK-IN-TRADE</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
	₹	₹
Opening Stock	862,830	786,884
Add : Purchases	1,946,537	13,416,410
Less: Closing Stock	-	862,830
<b>TOTAL</b>	<b>2,809,367</b>	<b>13,340,464</b>

<b>NOTE 2.18 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
	₹	₹
Opening Stock		
Finished Goods	794,045	1,652,230
Work in Progress	1,605,064	1,702,354
	<b>2,399,109</b>	<b>3,354,584</b>
Closing Stock		
Finished Stock	779,898	794,045
Work in Progress	526,174	1,605,064
	<b>1,306,073</b>	<b>2,399,109</b>
(Increase)/Decrease in Stock of Finished & Semi Finished Stock	1,093,036	955,475
<b>TOTAL</b>	<b>1,093,036</b>	<b>955,475</b>

<b>NOTE 2.19 EMPLOYEE BENEFIT EXPENSES</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
	₹	₹
Salaries, Wages & Allowances	6,588,584	7,453,671
Bonus Allowance	40,076	289,894
Contribution to Provident and Other Fund	28,665	42,053
Staff Welfare Expenses	366,859	346,415
Remuneration to Directors	-	1,400,000
<b>TOTAL</b>	<b>7,024,184</b>	<b>9,532,033</b>



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<b>NOTE 2.20 FINANCE COST</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
	₹	₹
Interest on Working Capital	-	12,609,970
Bank Charges	556,869	608,029
<b>TOTAL</b>	<b>556,869</b>	<b>13,217,999</b>
<b>NOTE 2.21 DEPRECIATION</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
	₹	₹
Depreciation	771,550	788,859
<b>TOTAL</b>	<b>771,550</b>	<b>788,859</b>
<b>NOTE 2.22 OTHER EXPENSES</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
	₹	₹
<u>Manufacturing Expenses</u>		
Electricity Charges	1,547,820	2,028,806
Export Freight & Clearing	(688,962)	(827,308)
Factory Expenses	669,026	770,321
Job Work & Labour Charges	12,192,669	14,825,511
Master & Mould Consumed	54,212	67,278
Packing Material	43,000	5,382
Stores, Spares & Consumable Consumed	2,177,247	2,546,054
Assigning Charges	9,300	3,090,000
Water Charges	150,119	192,683
<b>Total (A)</b>	<b>16,154,432</b>	<b>22,698,726</b>
<u>Selling and Distribution Expenses</u>		
Advertisement & Publicity	55,955	64,470
Sales Promotion Expenses	1,772,452	2,348,166
<b>Total (B)</b>	<b>1,828,407</b>	<b>2,412,636</b>
<u>Administrative &amp; Other Expenses</u>		
Auditors Remuneration	100,000	100,000
Commission Expenses Paid	1,177,300	387,327
Computer Expenses	67,283	199,769
Conveyance Expenses	76,089	49,088
Custodian Charges	190,843	213,044
Fuel Exp.	11,120	139,250
Insurance Premium	56,153	91,956
Interest on Delay Payment	427,032	-
Legal & Professional Charges	2,142,882	779,164
Listing Fees	229,836	227,453
Loss on Foreign Exchange	5,022,220	-
Office General Expenses	184,470	381,864
Other Expenses	168,775	87,403
Postage & Telephone Expenses	161,420	428,511
Printing & Stationery	139,531	87,444
Registrar & Filing Fees	99,184	125,185
Rent, Rates & Taxes	1,232,488	1,268,348
Repairs & Maintainance ( Others)	6,825	650,437
Repairs & Maintainance (Plant & Machinery)	214,804	13,620
Security Charges	708,370	596,720
Sundry Bal. W/off	611,579	17,312,596
Travelling Expenses	17,790	1,839,443
<b>Total (C)</b>	<b>13,045,994</b>	<b>24,978,622</b>
<b>TOTAL (A+B+C)</b>	<b>31,028,832</b>	<b>50,089,985</b>

\* Sales Promotion Expenses include Foreign Travelling Expenses & Sales Commission

**NEOGEM INDIA LIMITED**

	2016-2017	2015-2016
<b><u>Increase/ (Decrease) in value of Master &amp; Mould</u></b>		
Opening Stock	269,112	322,941
Add: Purchase	1,948	13,449
Less : Closing Stock	216,847	269,112
Consumption	54,212	67,278
<b><u>Increase/ (Decrease) in value of Stores, Spares &amp; Consumables</u></b>		
Opening Stock	134,003	359,623
Purchases	2,157,836	2,320,434
Less: Closing Stock	114,592	134,003
Consumption	2,177,247	2,546,054
<b><u>Payment to Auditors as</u></b>		
Auditor		
Statutory Audit Fees	75,000	75,000
Tax Audit Fees	25,000	25,000
<b><u>Value of Import On CIF Basis</u></b>		
Raw Materials	112,213,388	126,207,261
Finished Goods	1,891,592	525,533
Stores & Spares	826,225	2,320,434
	<b>114,931,206</b>	<b>129,053,227</b>
<b><u>Working of Earning per Share</u></b>		
<b><u>Before Extra Ordinary Items</u></b>		
Profit After Tax	(4,481,931)	(48,476,825)
Basic No. of Equity Shares of Face Value RS.10/- each	8,172,000	8,172,000
EPS Basic Rs.	(0.55)	(5.93)
Diluted No. of Equity Shares of Face Value RS.10/- each	8,172,000	8,172,000
EPS Diluted Rs.	(0.55)	(5.93)
<b><u>After Extra Ordinary Items</u></b>		
Profit After Tax	(4,481,931)	(48,476,825)
Basic No. of Equity Shares of Face Value RS.10/- each	8,172,000	8,172,000
EPS Basic Rs.	(0.55)	(5.93)
Diluted No. of Equity Shares of Face Value RS.10/- each	8,172,000	8,172,000
EPS Diluted Rs.	(0.55)	(5.93)
<b><u>EARNING IN FOREIGN EXCHANGE</u></b>		
Export of Goods Calculated on FOB Basis	149,043,372	183,749,474

**NOTE 2.23**

The company has availed working capital (Secured ) loans from Punjab National Bank and Bank of India. The accounts has been classified as non performing assets in A. Y. 2016 - 17 by the respective banks vide their letter dated 11-05-2016 with effect from 31-03-2016 due to non service of interest. Further the lead bank Punjab National Bank has initiated action as provided under section 13(4) of the SARFAESI Act 2002.

Cash credit limit from Punjab National Bank and Bank of India for Rs. 10 crore and 5 crore respectively, which has been classified as "Non - Performing Assets" by the lead banker as on 31-03-2016. The company has not received balance confirmation from the bankers as on 31-03-2016 & 31-03-2017. Pending confirmation received the company has not provided for interest payable in the financial statement till 31-03-2017 since the same is not quantifiable and accordingly the loss for the year is understated to that extent.

**NOTE 2.24 RELATED PARTY DISCLOSURES :**

The Disclosure required under Accounting Standard 18 in respect of Related Parties are given below :-

**NAME OF RELATED PARTIES**

**Key Management Personnel**

Gaurav Doshi

Ronak Doshi

**Relative**

Mahindra B. Doshi

**RELATED PARTY TRANSACTIONS**

Nature of Transaction	2016-17 (2015-16) Key Management Personnel / Relative
<b>Transactions during the year</b>	
Salary (Previous Year)	- (4,36,500)
Remuneration (Previous Year)	- (14,00,000)

As per our Report of even date attached

**For Ashok Bairagra & Associates**

Chartered Accountants  
Firm Reg. No. 118677W

**Ashish Jalan**

Partner  
Membership No. : F-125707

Place: Mumbai  
Dated: 30th May, 2017

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

**Gaurav Doshi**  
Chairman &  
Managing Director

**Ronak Doshi**  
Vice Chairman &  
Whole Time Director

# NOTES

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# NEOGEM INDIA LIMITED

CIN: L36911MH1991PLC063357

**Registered office:** G/32, Gems and Jewellery Complex III, Seepz (SEZ), Andheri (East), Mumbai - 400 096

## ATTENDANCE SLIP

**Please fill Attendance Slip and hand it over at the entrance of the meeting hall.** Joint shareholders may obtain additional Attendance Slip on request.

Master Folio No.: .....

No. of Shares held: .....

DP ID:.....

Client ID:.....

Mr./Ms./Mrs.:.....

Address: .....

.....

.....

I hereby record my presence at the **TWENTY-SIXTH ANNUAL GENERAL MEETING** of the Company to be held on Friday, 29th September, 2017 at 9:30 a.m. at the Registered office of the Company at G/32, Gems and Jewellery Complex III, Seepz (SEZ), Andheri (East), Mumbai - 400 096.

\_\_\_\_\_  
(Proxy's Name in Block letters)

\_\_\_\_\_  
(Member's /Proxy's Signature#)

# Strike out whichever is not applicable

**ROUTE MAP OF THE VENUE TOTHE AGM**



**LAND MARK : GATE NO. 1 SPEEZ, ANDHERI**

# NEOGEM INDIA LIMITED

CIN: L36911MH1991PLC063357

**Registered office:** G/32, Gems and Jewellery Complex III, Seepz (SEZ), Andheri (East), Mumbai - 400 096

## Form No. MGT-11

### Proxy form

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

#### 26th Annual General Meeting- Friday September 29, 2017

Name of the Member(s):	
Registered Address:	
Email:	
Folio no. / Client ID:	
DP ID:	

I/We, being the member (s) of ..... shares of the above named Company, hereby appoint

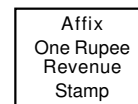
1. Name:.....Email Id:.....  
Address:.....  
Signature:....., or failing him/her
2. Name:.....Email Id:.....  
Address:.....  
Signature:....., or failing him/her
3. Name:.....Email Id:.....  
Address:.....  
Signature:....., or failing him/her

As my/our proxy to at end and vote(on a poll)for me/us and on my/our behalf at the 26thAnnual General Meeting of the Company, to be held on the 29th day of September 2017 at 9.30 a.m. at G-32, Gems & Jewellery Complex III, Seepz(SEZ), Andheri (East), Mumbai 400096 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Resolution	Assent	Dissent
<b>Ordinary Business</b>			
1.	Adoption of Audited Financial Statement along with Report of Directors' and the Auditor for the financial year ended March 31, 2017.		
2.	Appoint a Director in place of Mr. Gaurav Doshi (DIN 00166703), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Appoint M/s. Solanki & Co., Chartered Accountant (Firm Registration No.124118W), as Statutory Auditors of the Company to hold office upto conclusion of the Annual General Meeting and fix their remuneration.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

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



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

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

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

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**Important Communication to Members**

To Support the Green Initiative in Corporate Governance taken by the Ministry of Corporate Affairs, members are requested to register their e-mail address with their Depository participants or send an e-mail to the Company on [investors@neogemindia.com](mailto:investors@neogemindia.com)

We look forward to your co-operation in the protection of our environment

*If undelivered please return to:*

**Neogem India Limited**

G-32, Gems & Jewellery Complex III,  
Seepz (SEZ), Andheri (East), Mumbai-400096

**Contact Person:**

**Mr Xavier Rodrigues**

Tel : 91-22-3088 2640