



NEOGEM INDIA LIMITED

Always Innovative

Annual Report 2017-2018

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. D S Solanki & Co.
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.: 3088 2640 / 41

REGISTRAR & TRANSFER AGENT

M/s. Link Intime India Private Limited
C-101,247 Park L B S Marg, Vikroli (West) Mumbai-400 083
Tel: 022 49186270 Fax: 022 49186060

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NEOGEM INDIA LIMITED

NOTICE

NOTICE is hereby given that the Twenty-Seventh Annual General Meeting of the Members of **Neogem India Limited** will be held on Saturday, 29th September 2018 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 Statement comprising of Balance Sheet as at 31st March 2018, 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. Ronak Doshi (DIN: 00102959) who retires by rotation and being eligible, offered himself for re-appointment.
3. **Ratification of appointment of Auditor:**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139(1), 139(9) and 142(1) of the Companies Act, 2013 read with Rules made there under and the Companies Amendment Act, 2017 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company be and hereby ratifies the appointment of M/s. D S Solanki & Co., Chartered Accountants, (Firm Registration No. 124118W), as the Statutory Auditors, who were appointed in the 26th Annual General Meeting to hold office for the period of 5 (Five) years i.e. until the conclusion of the 31st Annual General Meeting, for the remaining tenure and the Board of Directors of the Company be authorized to fix remuneration 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-400 096.

Date: 1st September, 2018
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.
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, Vikroli (West) Mumbai-400 083 Tel: 022 49186270 Fax: 022 49186060
3. Map of the venue of the 27th AGM is given after the notice.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 21st September 2018 to Saturday, 29th September 2018 (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 2018, 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, Vikroli (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. In order to curb fraud and manipulation risk in physical transfer of securities and improve ease, convenience and safety of transactions for investors, the Securities and Exchange Board of India in its meeting held on March 28, 2018 decided to amend Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in the dematerialized form with a depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form. This amendment shall be effective from 5th December 2018. Thus, the members are requested to convert their physical shares into demat form at the earliest so that the liquidity of shares is not affected.
8. 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.
9. 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.
10. 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.
11. The Securities and Exchange Board of India vide its circular dated April 20, 2018 has mandated the submission of the Permanent Account Number (PAN) and bank details by shareholders holding shares in physical form. The members holding shares in physical are requested to submit a copy of self attested PAN card of all the joint holders and original cancelled cheque leaf /attested bank passbook showing name of account holder i.e. the first holder of the shares held within 21 days of this notice i.e. latest by 30th September 2018 to **M/s. Link Intime India Private Limited**, Registrar and Share Transfer Agent of the Company.
12. Members holding shares in electronic form are requested to submit their PAN to their Depositories Participant(s).
13. 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. Ronak Doshi (DIN: 00102959), 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

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- 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).
14. 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.
 15. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. The Shareholders are, therefore, requested to kindly bring their copies at the time of attending the Meeting.
 16. The Annual Report containing inter alia the Notice convening the 27th Annual General Meeting, the audited financial statement of the Company for the financial year ended March 31, 2018 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.
 17. 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, Vikroli (West), Mumbai-400 083.
 18. 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.
 19. Electronic copy of the 27th Annual Report 2017-18, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members 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.
 20. 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.
 21. 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.
 22. In case a person has become the Member of the Company after the dispatch of the AGM Notice but on or before the cut-off date i.e., he may write to R & TA on the email ID: riddhi.shah@linkintime.co.in or contact Ms. Riddhi Shah, C-101,247 Park L B S Marg, Vikroli (West), Mumbai-400 083 Tel: 022 49186270 Fax: 022 49186060 requesting for the User ID and Password.
 23. Procedure for E-Voting through electronic means:
 - i. The voting period begins on Wednesday, 26th September 2018 at IST 9.00 a.m. and ends on Friday, 28th September 2018 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 2018, 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.
 - iii. Click on Shareholders/ Members.
 - 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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members)</p> <ul style="list-style-type: none"> ● 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. ● 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. <p>E.g. If your name is Ramesh Kumar with the Sequence Number 1 then enter RA00000001 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> <p>* 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)</p>

- 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. If a Demat account holder has forgotten the changed 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 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
 - 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 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, under help section or write an email to helpdesk.evoting@cdslindia.com.
24. 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 2018.
25. Mrs. Pooja Jain, (FCS: 8160 and CP: 9136), Partner of VPP & Associates, Practicing Company Secretaries, Mumbai or failing her, 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.
26. 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.
27. 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 forty eight (48) hours 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.
28. The Results declared along with the report of the Scrutinizer’s shall be placed on the website of the Company 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.
29. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the 27th AGM i.e. 29th September, 2018.
30. The Chairman or the authorised person shall declare the results of the voting forthwith and the results declared along with the report of the scrutinizer shall be placed on the website of the Company i.e. www.neogemindia.com.
31. Kindly note that any Member who wishes to attend the Annual General Meeting, is required to contact Mr. Xavier Rodrigues, contact no. 9869073903 or email him your full name, folio number and contact number at xavier@neogemindia.com atleast 2 days prior to the date of Annual General Meeting i.e. before 27th September, 2018 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, 2018
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. Ronak 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]:

Name	Mr. Ronak Doshi
Date of Birth	12/11/1974
Age	43 years
Nationality	Indian
Qualification	B.Com. from University of Mumbai
Nature of Expertise	He has a vast experience in the Manufacturing, Sales and Marketing of diamond studded Jewellery.
Date of 1st appointment on the Board of the Company	28/03/1997
Number of meetings of the Board attended during the year	5
Experience	25 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. Gaurav Doshi (DIN-00166703), Chairman & Managing Director of the Company.
Last Remuneration drawn	Nil
Remuneration to be drawn after appointment/re-appointment	Nil

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BOARD'S REPORT

To,
The Members,
Neogem India Limited

The Directors presents the Twenty-Seventh Annual Report of the Company and the Audited Statements of Accounts for the financial year ended 31st March, 2018.

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

The financial highlights of the Company, for the year ended March 31, 2018 is summarized below:

(Rs.)

Sr. No.	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
1.1	Revenue from Operations	5,76,72,965	15,14,88,424
1.2	Other Income	72,51,923	0
1.3	Total Expenditure	8,22,71,268	15,41,29,060
1.4	Profit for the year before tax	-1,73,46,380	-26,40,636
1.5	Less: Current Tax	0	-18,27,153
	Deferred Tax	1,87,149	-14,142
1.6	Profit After Tax & before Other comprehensive income (OCI)	-1,71,59,232	-44,81,931
1.7	Other comprehensive income	0	0
1.8	Other comprehensive income for the year, net of tax	0	0
1.9	Profit after Tax (PAT) & after OCI	-1,71,59,232	-44,81,931

Note: In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Act, with effect from 1 April 2017. Till 31 March 2017, the Company used to prepare its financial statements as per Companies (Accounting Standards) Rules, 2014 (Previous GAAP) read with rule 7 and other relevant provisions of the Act. The Company has prepared its first Ind AS Financial Statements of the Company.

During the year under review, the Sales have decreased from Rs.15,14,88,424/-in previous year to Rs. 5,76,72,965/-in current year due to adverse market conditions. Consequently, the loss suffered by the Company was increased from Rs. 44,81,931/- in the previous year to Rs. 1,71,59,232/-. The total expenditure of the Company was reduced to Rs. 8,22,71,268/- from Rs. 15,41,29,060/- in the previous year.

Further due to financial crunch, the Company could not repay the working capital loan (secured) to Punjab National Bank and Bank of India, accordingly the accounts of the Company has been classified as non-performing assets by the respective banks with effect from 31-03-2016. Pending confirmation received of the amount payable to Banks, the Company has not provided for interest payable in the financial statement till 31-03-2018, since the same is not quantifiable and accordingly the loss for the year is understated to that extent.

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 2017-18.

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:

During the year there was no change in nature of business.

6. 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:

No material changes have occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

7. 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:

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

8. Details of Holding/Subsidiary/Joint Ventures/Associate Companies:

The Company did not have any Holding/Subsidiary Company/Joint Venture/Associate Company during the year under review. Accordingly, the following disclosures of the same are not applicable:

- Form AOC-1 pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014) under section 134 of the Companies Act, 2013, in Form AOC – 1.
- Highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014) under section 134 of the Companies Act, 2013.
- Receipt of commission from any holding company or subsidiary company by a Director of the Company.

9. 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 the Opinion of the Auditor, though the Company has stopped its manufacturing activity, the management is putting in best efforts to bring a turn around and is hopeful of successful revival and thus, the annual accounts are prepared on a going concern basis.

10. Statutory Auditors:

At the 26th Annual General Meeting held on 29th September, 2017, M/s. D S Solanki & Co, Chartered Accountants (Firm Registration No.124118W) were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the 31st Annual General Meeting, to be held in the calendar year 2022. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors need to be placed for ratification at every subsequent Annual General Meeting since their first appointment. However, pursuant to the notification dated 07th May, 2018 of the Companies (Amendment) Act, 2017, the said appointment is not required to be ratified every year so long as the Auditors are eligible & qualified to be appointed. However, as in the resolution passed for their appointment, the provision of ratification was provided, the resolution for ratification of their appointment for their remaining tenure is proposed for members' approval. In this regard, the Company has received a communication from the Auditors to the effect that their appointment is in accordance with the provisions of Section 141 of the Companies Act, 2013.

11. Reporting of fraud by statutory auditors:

Further, there was no fraud in the Company, which was required to report by statutory auditors of the Company under sub- section (12) of section 143 of Companies Act, 2013.

12. Management Discussion And Analysis:

The Management Discussion and Analysis Report for the financial year under review as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations ("Listing Regulations") is annexed as a part of this Annual Report as Annexure 1.

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13. Extract of the Annual Return:

Pursuant to Section 92(2) and 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return is placed on website of the Company, at the following <http://www.neogemindia.com/pdf/Extract-of-Annual-Report-MGT-9-Neogem-2017-18.pdf> and which shall be treated as part of this Report.

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

The information required under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption & foreign exchange earnings / outgo is given below:

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:

N.A.

B. Technology absorption:

i. The efforts made towards technology absorption:

The Directors are in constant touch with ongoing research 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

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	2017-18	2016-17
Foreign exchange earned on F.O.B. basis	484,826,95	149,043,372
Foreign exchange outgo	370,653,03	114,931,206

15. 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. Ronak Doshi (DIN: 00102959), 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 his 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.

B. Statement on Independent Directors' declaration and disclosure of disqualification by the Directors:

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 both under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 [Listing Regulations]. The Company has also received Disclosure of Interest by Directors from Mrs. Renu Kathuria as per the provisions of Section 184 of Companies Act, 2013 and that she is not disqualified to become director under the Act; and 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, read with the Listing Regulations and that they are independent of the management.

C. Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the Securities and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, of individual Directors as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders' Relationship Committees. The Directors were evaluated on aspects such as attendance and contribution at Board and Committee meetings, communicating inter se board members and guidance and support to the management outside Board and Committee meetings. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee.

D. Directors:

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 their 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:

Pursuant to Regulation 25 (7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company carries out Familiarization Programme for the Independent Directors on their role, rights, responsibilities in the Company, 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

16. Details of Committees of the Board:

Currently, the Board has 3 Committees: the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. The Composition of various committees and compliances, as per the applicable provisions of the Companies Act, 2013 and the Rules thereunder and Listing Regulations, are as follows:

NEOGEM INDIA LIMITED

A. i. Audit Committee:

The Board has constituted an Audit Committee comprising of Mrs. Renu Kathuria (DIN: 01669882), Independent Director as the Chairperson of the Committee, and Mr. Jayant Nagarkar (DIN: 00131405), Independent Director and Mr. Gaurav Doshi (DIN-00166703), Managing Director as the members of the Committee.

The recommendations of the Audit Committee are always welcomed and accepted by the Board hence there is no further explanation to be provided for, in this Report and all the major steps impacting the financials of the Company are undertaken only after the consultation of the Audit Committee.

A. ii. 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 genuine concerns / instances of any unethical / improper activity, directly to Ms. Renu Kathuria (DIN: 01669882), Chairperson of the Audit Committee, as a Protected Disclosure and has also taken steps to safeguard any person using this mechanism from victimization and in appropriate and exceptional cases.

B. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of Mrs. Renu Kathuria (DIN: 01669882), Independent Director as the Chairperson of the Committee and Mr. Jayant Nagarkar (DIN: 00131405), Independent Director as the member of the Committee. The Committee has framed a policy to determine the criteria and qualification for appointment of Directors, positive attributes, independence of Director, attributes for appointment and basis of determination of remuneration and performance evaluation of all the Directors, Key Managerial Personnel and other employees and methods for their sustainability. The detailed policy is also posted onto the website of the Company at the <http://www.neogemindia.com/pdf/Nomination-and-Remuneration-Policy.pdf>.

C. Stakeholder's Relationship Committee:

The Stakeholder's Relationship Committee comprises of Mrs. Renu Kathuria (DIN 01669882), Independent Director as the Chairperson of the said Committee and Mr. Jayant Nagarkar (DIN:00131405), Independent Director and Mr. Ronak Doshi (DIN: 00102959), Whole-time Director are the members 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.

17. Secretarial Auditor and its 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 undertake the Secretarial Audit of the Company for FY 2017 - 18. The Report of the Secretarial Auditor is annexed herewith as Annexure 2. 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.	The Nomination & Remuneration Committee has 2 Non-Executive Directors. The Company needs 1 more Director & is in the process of searching for the same.
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.
4.	Mr. Jayant Nagarkar, Independent Director stands disqualified u/s 164 of the Companies Act, 2013 and thus cannot act as an Independent Director of the Company. Consequently, the composition of Audit and Nomination and Remuneration Committee is not as per the Companies Act, 2013.	The Company is recently made aware of the same and accordingly, Mr. Nagarkar is in process of removal of his disqualification. Meanwhile the Company is searching for an Independent Director to enable to comply with points 2 as well as 4 above.

18. Number of meetings of the Board of Directors:

The Board of Directors met four (4) 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 are as under:

Sr. No.	Type of Meeting	Date
1.	Board Meeting	May 30, 2017
2.	Board Meeting	September 1, 2017
3.	Board Meeting	December 14, 2017
4.	Board Meeting	February 14, 2018

19. Number of meetings of the Independent Director:

The Independent director of the company met only once in a year on 1st September 2017 to review the performance of Non-Independent Directors and the board as a whole and discussed other matters covered under their purview.

20. Particulars of loans, guarantees or investments under section 186:

During the year under review, the Company has not provided any loans, made investments, gave guarantees or subscribed/purchased securities under Section 186 of the Companies Act, 2013.

21. 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 any related parties 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.

22. Deposits:

The Company has neither accepted nor invited any deposit from the public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit Rules) 2014.

However, as disclosed in Note No. 22(a) forming part of Balance Sheet, the company is having outstanding balance of unsecured loan of Rs. 3,66,320/- as on 31.03.2018 from Directors of the Company for which proper declaration has been furnished by them as required under Rule 2(viii) of the Companies (Acceptance of Deposits) Rules, 2014 during the period under review.

23. Voting Rights of Employees:

During the year under review the company has not given loan to any employee for purchase of its own shares as per section 67 (3) (c) of Companies Act, 2013. Therefore, the Company not required to made disclosure as per rule 6 (4) of Companies (Share Capital and Debentures) Rules, 2014.

24. Disclosure Regarding Issue of Employee Stock Options:

The Company has not issued shares under employee's stock options scheme pursuant to provisions of Section Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014). So the question does not arise about voting rights not exercised by employee.

25. Disclosure regarding issue of sweat equity shares:

The Company has not issued sweat equity shares pursuant to provisions of Section 54 read with Rule 8 of Companies (Share Capital and Debenture Rules, 2014) during the financial year.

26. Directors' Responsibility Statement:

Pursuant to Sections 134(3)(c) & 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirm that:

- a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures, if any;

NEOGEM INDIA LIMITED

- 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.

27. 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 not applicable as the Company does not have any employees on its payroll as at 31st March 2018 and none of the Directors or Key Managerial Personnel has drawn any remuneration during the financial year 2017-18.
- B. Details of the top ten employees in terms of remuneration drawn falling within the preview 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 3.

28. Report on Corporate Governance:

As per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the provisions of Corporate Governance are not applicable to your Company. Thus, the Company is not required to annex a Report on Corporate Governance.

29. Corporate Social Responsibility (CSR):

In line with the provisions of the Companies Act, 2013 and the rules framed there under with respect to the Corporate Social Responsibility (CSR), your Company is not governed by the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. So, the Company is not required to formulate a policy on CSR and was not required to constitute a CSR Committee.

30. 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.

31. 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 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.

32. Secretarial Standards:

The Company complies with the Secretarial Standards 1 and 2 issued by Institute of Company Secretaries of India.

33. Disclosure under the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013:

As at 31st March 2018, there are no employees on the payroll of the Company and thus, the Company was not required to constitute Internal Complaints Committee under the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

No complaints pertaining to sexual harassment were received during the F. Y. 2017-18.

34. Cost Audit:

The Company does not fall within the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, therefore no such records required to be maintained.

35. 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) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Names of the Companies who have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year.

36. 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 2018

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 Indian Gems and Jewellery (G&J) sector is one of the largest in the world, contributing around 29 per cent to the global jewellery consumption. The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 7 per cent of the country's GDP. One of the fastest growing sectors, it is extremely export oriented and labour intensive which employs over 4.64 million employees and is home to over 300,000 gems and jewellery players.

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. It is one of the fastest growing sectors that are extremely export-oriented contributing approx 15.71 per cent to India's total merchandise exports, the Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote "Make in 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.

The market size of gems and jewellery segment is about US\$ 60 billion as recorded in 2017 and is expected to reach \$100-110 billion by 2021-2022. Meanwhile, the country's gems and jewellery sector contributes 29 per cent to the global jewellery consumption as the exports stood at \$ 24.89 billion in April-December 2017.

Recent regulatory scenario

- Introduction of Goods and Services Tax is a seminal tax reform that is expected to drive more transparency and compliance. A level playing field will bridge the undue advantage that informal players had over the formal ones in the past years. There is going to be a long-term benefit for organized players like Neogem because of greater transparency and compliance with indirect taxes.
- The Government of India's proposal to cut corporate tax rates to 25 per cent 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 made changes in the gold monetisation scheme to make it more attractive, 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.
- The Gem Jewellery Export Promotion Council (GJEPC) has also proposed to develop a jewellery park on Thane-Belapur Road which is around five kilometers from Mumbai with a view to boost the Mumbai-based jewellery industry by providing modern facilities and services.
- With a view to promoting the gems and jewellery sector including handcrafted jewellery, the government has taken a number of steps such as providing financial assistance for participation in international fairs, organizing buyer-seller meets etc. under the Market Development Assistance (MDA) and Market Access Initiative (MAI) schemes of the Department of Commerce. The government has also announced a number of measures in the Foreign Trade Policy (FTP) 2015- 2022 to promote export of gems and jewellery products.

Outlook:

In the short run, cost competitiveness and foreign direct investment will positively impact the industry. Cost is always considered an important factor for the growth of any industry. India is the most competitive in diamond processing because of availability of cheap labour as against its peers.

The rising demand for Indian gems and branded jewellery from across the globe is primarily being driven thanks to the increase in per capita income of the consumers and a stronger purchasing power of the middle-class woman. In fact, the sector is now witnessing changes in consumer preferences.

From the long run perspective, growing domestic demand, emergence of organised players and brands, the gold monetisation scheme and the proposal of creation of special economic zones and related tax benefits, will accelerate the growth.

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

Strengths:

- Use of synergy optimization at various functional verticals gives a huge advantage.
- 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.
- Various tax advantages because of its location in special economic zone.

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.
- Volatility in exchange rate may lead to greater cash outflow.
- Industry is largely dependent on import of raw material therefore pace of falling of rupee might hit the financial performance of the company.
- The debt of the Company is consistent which may lead to cash outflow in terms repayment of interest and other finance cost.

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.
- Depreciation in rupee against other currencies will make the export more competitive and company may record better cash inflows.

Threats, Risks & Concerns:

- Depreciating value of Rupee having a direct impact on the prices of diamond since it imports cut and polished diamonds.
- 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.
- Adopting protectionist approach by some developed countries like USA and trade war situation between China and USA may injure Indian jewellery and gems export.

3) Operations

Due to emerging rivals in the international market, weakness in the rupee lead to stagnancy in export which adversely impacted the financial performance of the company, Consequently the Company's Sales decreased from Rs. 15,14,88,424/- in previous year to Rs. 5,76,72,965 in current year, hence the losses of the Company has also widened from Rs. 44,81,931/- in the previous year to Rs. 1,71,59,232/- in the current year. The Management of the Company has been putting in its best efforts to reduce and mitigate 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 industrial relations scenario remained unchanged throughout the year.

For and on behalf of the Board of Directors

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

Date: 1st September 2018
Place: Mumbai

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

NEOGEM INDIA LIMITED

ANNEXURE - 2

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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	NEOGEM INDIA LIMITED
4. Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
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			

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 (01.04.2017)				No. Of shares held at the end of the year (31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
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/FI	0	0	0	0	0	0	0	0	0.00
e) Any other	0	0	0	0	0	0	0	0	0.00
SUB TOTAL:(A) (1)	3431550	0	3431550	41.99	3431550	0.00	3431550	41.99	0.00
(2) Foreign									
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/FI	0	0	0	0	0	0	0	0	0.00
e) Any other...	0	0	0	0	0	0	0	0	0.00
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	3431550	0	3431550	41.99	3431550	0	3431550	41.99	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks/FI	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
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0.00
(2) Non Institutions									
a) Bodies corporates	356407	71600	428007	5.24	517723	71600	589323	7.21	1.97
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	811923	849250	1661173	20.33	808307	849250	1657557	20.28	-0.04
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	2369621	50800	2420421	29.62	2202811	50800	2253611	27.58	-2.04
c) Others (specify)									
Hindu Undivided Family	69811	0	69811	0.85	78861	0	78861	0.97	0.11
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	1600	46800	48400	0.59	-0.01
Clearing Member	110138	0	110138	1.35	111098	0	111098	1.36	0.01
SUB TOTAL (B)(2):	3722000	1018450	4740450	58.01	3722000	1018450	4740450	58.01	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	3722000	1018450	4740450	58.01	3722000	1018450	4740450	58.01	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	7153550	1018450	8172000	100	7153550	1018450	8172000	100.00	0.00

NEOGEM INDIA LIMITED

ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Share holding at the beginning of the year 01.04.2017			Share holding at the end of the year 31.03.2018			% 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
	Total	3431550	41.99	0	3431550	41.99	0	0.0000

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

Sr. No.	Particulars	Share holding at the beginning of the Year		Date	Increase/Decrease in no. of shares	Reasons	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.	Gaurav M. Doshi							
	At the beginning of the year	870800	10.66	There has been no change				
	Nil movement during the year							
	At the end of the year					870800	10.66	
2.	Rekha M. Doshi							
	At the beginning of the year	1089950	13.34	There has been no change				
	Nil movement during the year							
	At the end of the year					1089950	13.34	
3.	Reshma R. Doshi							
	At the beginning of the year	300000	3.67	There has been no change				
	Nil movement during the year							
	At the end of the year					300000	3.67	
4.	Ronak M. Doshi							
	At the beginning of the year	870800	10.66	There has been no change				
	Nil movement during the year							
	At the end of the year					870800	10.66	
5.	Vaitasi G. Doshi							
	At the beginning of the year	300000	3.67	There has been no change				
	Nil movement during the year							
	At the end of the year					300000	3.67	

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

Sr. No	Shareholder's name	Share holding at the beginning of the year 01.04.2017		Date	Increase/Decrease in no. of shares	Reason	Share holding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the Company
1.	Urvinderpal Attarsingh							
	At the beginning of the year - 1.4.2017	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)					There has been no change		
	At the end of the year - 31.3.2018						800000	9.79
2.	Dhyan Stock Broking Pvt. Ltd.							
	At the beginning of the year - 1.4.2017	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)					There has been no change		
	At the end of the year - 31.3.2018						225200	2.76
3.	Marwadi Shares and Finance Limited							
	At the beginning of the year - 1.4.2017	34359	0.42					
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			11 Aug 2017 29 Sep 2017	-300 172600	Sale of Shares Purchase of Shares	34059 206659	0.42 2.53
	At the end of the year - 31.3.2018						206659	2.53
4.	Maresh Chain Khubchandani							
	At the beginning of the year - 1.4.2017	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)					There has been no change		
	At the end of the year - 31.3.2018						128300	1.57
5.	Darshana Shashikant Bagadia							
	At the beginning of the year - 1.4.2017	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)					There has been no change		
	At the end of the year - 31.3.2018						120000	1.47
6.	Puja Shrenik Bagadia							
	At the beginning of the year - 1.4.2017	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)					There has been no change		
	At the end of the year - 31.3.2018						120000	1.47

NEOGEM INDIA LIMITED

Sr. No	Shareholder's name	Share holding at the beginning of the year 01.04.2016		Date	Increase/Decrease in no. of shares	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.	Paniben Mohanlal Jain									
	At the beginning of the year - 1.4.2017	119000	1.46	There has been no change						
	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 - 31.3.2018				119000	1.46				
8.	Jyoti Rajesh Bagadia									
	At the beginning of the year - 1.4.2017	107500	1.32	There has been no change						
	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 - 31.3.2018				107500	1.32				
9.	NNM Securities Pvt. Ltd.									
	At the beginning of the year - 1.4.2017	101704	1.24	There has been no change						
	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 - 31.3.2018				101704	1.24				
10.	Samkit Rakyan									
	At the beginning of the year - 1.4.2017	84300	1.03	There has been no change						
	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 - 31.3.2018				84300	1.03				
11.	Jignesh Mehta									
	At the beginning of the year - 1.4.2017	167300	2.05	29 Sep 2017	-167300	Sale of shares				
	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 - 31.3.2018						0	0.00		

(v) Shareholding of Directors & KMP

Sr. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year		Date	Increase/ Decrease in no. of shares	Reasons	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.	Gaurav Mahindra Doshi							
	At the beginning of the year	870800	10.66	There has been no change				
	Nil movement during the year							
	At the end of the year						870800	10.66
2.	Ronak Mahindra Doshi							
	At the beginning of the year	870800	10.66	There has been no change				
	Nil movement during the year							
	At the end of the year						870800	10.66

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	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
Total (i+ii+iii)	178,842,047	0	205,740	179,047,787
Change in Indebtedness during the financial year				
* Addition	433,713	0	25,000	458,713
* Reduction	-	0	0	0
Net Change	433,713	0	25,000	458,713
Indebtedness at the end of the financial year				
i) Principal Amount	179,275,760	0	230,740	179,506,500
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	179,275,760	0	230,740	179,506,500

vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

Sr.	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...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	-	-	-
	Ceiling as per the Act	Rs.42,00,000 per managerial personnel (As per Section II, Part II of Scheule V of the Companies Act, 2013)		

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B. Remuneration to other Directors

Sr.No	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	Mrs. 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

Sr. 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					

ANNEXURE - 3

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March 2018

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

To,
The Members,
Neogem India Limited
G-32, Gems & Jewellery Complex 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 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 2018, 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, 2014; (**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**);

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(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:

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.*
4. *Mr. Jayant Nagarkar, Independent Director stands disqualified u/s 164 of the Companies Act, 2013 and thus cannot act as an Independent Director of the Company. Consequently the composition of Audit and Nomination and Remuneration Committee is not as per the provisions of Section 177 and 178 of the Companies Act, 2013, respectively.*

We further report that the Board of Directors of the Company is constituted with balance of Executive Directors, Non-Executive Directors and Independent Directors except our observation above relating to composition of Audit and Nomination and Remuneration Committee. There were no changes in the composition of the Board of Directors during the period under review.

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

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

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

For Hemanshu Kapadia & Associates

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

Date: 1st September 2018

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 & Jewellery Complex 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 Hemanshu Kapadia & Associates

Date: 1st September 2018
Place: Mumbai

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

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ANNEXURE - 4

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	Rajesh Ahire	Samarsankha Khatua
Designation	Setting Supervisor	Polisher
Remuneration paid	Rs. 2,36,284/-	Rs.2,35,195
Nature of employment	Permanent	Temporary
Qualifications and Experience	9th Std	10th Std
Date of commencement of employment	01.12.2014	01.08.2017
Age	40	38
Previous Employment	Intergold	K P Sangvi
No. of shares in the Company	NA	NA
Whether relative of Director or employee	NA	NA

Name	Madhukar Nikam	Santosh Khambe
Designation	Import Export Officer	Prod Accountant
Remuneration paid	Rs. 2,34,536/-	Rs. 2,25,517/-
Nature of employment	Permanent	Permanent
Qualifications and Experience	TYBCOM	SYBA
Date of commencement of employment	01.04.2014	01.04.2016
Age	48	40
Previous Employment	Rajkumar Shipping Co	NA
No. of shares in the Company	NA	NA
Whether relative of Director or employee	NA	NA

Name	Sachin Kanal	Debaraja Epili
Designation	Quality Control	Maintenance In charge
Remuneration paid	Rs. 2,16,138/-	Rs. 2,15,310/-
Nature of employment	Permanent	Permanent
Qualifications and Experience	SSC	ITI Electrical
Date of commencement of employment	01.12.2014	01.12.2014
Age	37	44
Previous Employment	Shreejee Jewelry	Bhamra Electricals Work
No. of shares in the Company	NA	NA
Whether relative of Director or employee	NA	NA

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Name	Gourganga Pradhan	Amardeep Pal
Designation	Polisher	Central HOD
Remuneration paid	Rs. 1,98,717/-	Rs. 1,97,020/-
Nature of employment	Temporary	Permanent
Qualifications and Experience	12th Std	BA
Date of commencement of employment	01.08.2017	01.02.2018
Age	21	38
Previous Employment	Indigo Jewellery	Laxmi Jewellery
No. of shares in the Company	NA	NA
Whether relative of Director or employee	NA	NA

Name	Raju Rawat	Maheshwari Gautam
Designation	Castor	Marketing & Sales Manager
Remuneration paid	Rs. 1,82,552/-	Rs. 1,76,045/-
Nature of employment	Permanent	Permanent
Qualifications and Experience	VIII th Std	Diploma in Computer
Date of commencement of employment	01.04.2017	01.12.2014
Age	41	36
Previous Employment	Goldium International	Perfection Advertising
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

Further as at 31st March 2018, none of the employees are on the payroll of the Company.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
NEOGEM INDIA LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of M/s **Neogem India Limited** ("the company"), which comprise the Balance Sheet as at 31st March 2018 and the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, profit or loss, cash flow and changes in equity and of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit of Standalone Ind AS financial statement 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 Standalone Ind AS financial statements are free from material misstatement.

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

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

Opinion

Without qualifying our opinion, we draw attention to note 24 of the financial statement relating to 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 31-03-2018. Pending confirmation received the company has not provided for interest payable in the financial statement till 31-03-2018, since the same is not quantifiable and accordingly the loss for the year is understated to that extent.

The company has stopped manufacturing activities since 01-01-2018 and no detailed plans are made available to us regarding commencement of business activity in near future. The company is in the process of restructuring/revival of its business, in view of the management's expectation of the successful outcome of revival of its business the financial statement has been prepared on going concern basis. However in view of the above uncertainty we are unable to comment on the ability of the company to continue as a going concern and the consequential adjustment to the accompanying financial statement if any that might have been necessary had the financial statement been prepared under liquidation basis.

We refer to the outstanding debtor's receivable as reflected in current assets of Rs. 41,10,67,159/- which are outstanding for more than three years. The amount outstanding are unconfirmed by the parties.

We refer to the outstanding creditor's payable as reflected in current liabilities of Rs. 15,71,16,849/- which are outstanding for more than three years. The amount outstanding are unconfirmed by the parties.

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 2018, and its Loss and its Cash Flow for the year ended on that date.

Other Matters

Nil

Report on other Legal and Regulatory Requirements

1. As required of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet and the Statement of Profit and Loss 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. 24.
 - f) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - g) In our opinion and to the best of our information and according to the explanations given to us, we report as such no other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - h) With respect of adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure B and
 - i) Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014: in our opinion and to the best of our information and according to the explanations given to us.
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any Long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) There is no amount required to be transferred, to the Investor Education and Protection Fund by the company.

For D S Solanki & Co
Chartered Accountants
Firm Reg. No. 124118W

Place : Mumbai
Date : 30th May 2018

Dharmendra S Solanki
Partner (M.No. F 115223)

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our Independent Auditor's Report to the member for the year ended march 31st, March 2018.

- 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 over a period of three years, 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.

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- 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 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, 2018 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, sales 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 24 of the financial statement relating to 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 31-03-2018. Pending confirmation received the company has not provided for interest payable in the financial statement till 31-03-2018, 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 preferential allotment of shares during the year under review and the requirement of Section 42 of the Companies Act, 2013 are not applicable to the company..
- 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 IA 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 D S Solanki & Co
Chartered Accountants
Firm Reg. No. 124118W

Place : Mumbai
Date : 30th May,2018

Dharmendra S Solanki
Partner (M.No. F 115223)

ANNEXURE B TO THE AUDITOR'S REPORT

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 **M/s NEOGEM INDIA LIMITED** (the company) as of **31st March 2018** in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conduct our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and 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 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 were 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 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 assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of 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 Profit and Loss of the company are being made only in accordance with authorizations of the 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 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 **31st March 2018**, based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India.

Place : Mumbai
Date : 30th May,2018

For D S Solanki & Co
Chartered Accountants
Firm Reg. No. 124118W

Dharmendra S Solanki
Partner (M.No. F 115223)

NEOGEM INDIA LIMITED

Balance Sheet

	Notes	31 March 2018	31 March 2017	01 April 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3	2,899,571	3,487,978	4,259,528
Financial Assets	4			
i. Investment	4(d)	-	14,040	14,040
Other Non Current Assets	5	2,442,062	2,417,062	2,240,298
Total non-current assets		5,341,633	5,919,081	6,513,866
Current assets				
Financial Assets	4			
i. Trade Receivables	4(a)	411,067,159	446,110,151	460,724,604
ii. Cash and Cash Equivalents	4(b)	1,653,906	3,811,348	3,942,723
iii. Inventories	4(c)	1,762,329	6,530,128	16,705,368
Other Current Assets	5	309,978	5,455,168	11,713,855
Total Current Assets		414,793,373	461,906,796	493,086,550
Total Assets		420,135,006	467,825,877	499,600,416
EQUITY AND LIABILITIES				
Equity				
Share Capital	6(a)	81,720,000	81,720,000	81,720,000
Other Equity				
Reserves and Surplus	6(b)	(6,153,998)	11,005,235	15,487,166
Total Equity		75,566,002	92,725,235	97,207,166
LIABILITIES				
Non-Current Liabilities				
Deferred Tax Liabilities		23,253	210,401	196,260
Other Non-Current Liabilities	8	558,091	558,091	-
Total Non-Current Liabilities		581,344	768,492	196,260
Current Liabilities				
Financial Liabilities	7			
i. Borrowings	7(a)	179,275,760	178,842,047	182,832,022
ii. Trade Payables	7(b)	160,663,527	191,976,781	204,895,767
iii. Other Financial Liabilities	7(c)	4,008,421	82,778	3,753,263
Other Current Liabilities	8	39,952	3,430,543	10,715,938
Total Current Liabilities		343,987,660	374,332,149	402,196,990
Total Liabilities		344,569,004	375,100,641	402,393,250
Total Equities and Liabilities		420,135,006	467,825,877	499,600,416
The above Balance Sheet should be read in conjunction with the accompanying notes. The Notes referred above form an integral part of the Balance Sheet				

Auditors' Report

As per our Report of even date attached
For D. S. SOLANKI & CO
Chartered Accountants
Firm Registration No. 124118W

Dharmendra Solanki
Proprietor
Membership No. : 115223
Place: Mumbai
Dated: 30th May 2018

For and on behalf of the Board of Directors

Gaurav Doshi
Chairman &
Managing Director

Ronak Doshi
Vice Chairman &
Whole Time Director

Statement of Profit and Loss

	Notes	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 01 April, 2016
Revenue from Operations	9	57,672,965	151,488,424	239,812,217
Other Income	10	7,251,923	-	-
Total Income		64,924,888	151,488,424	239,812,217
Expenses				
Cost of Materials Consumed	11	38,580,346	110,845,223	200,547,106
Purchase of Stock in Trade	12	-	2,809,367	13,340,464
Changes in Inventories of Finished Goods, Stock in Process	13	1,306,072	1,093,037	955,475
Employee Benefit Expenses	14	6,945,006	7,024,184	9,532,033
Depreciation and Amortisation Expense	15	743,406	771,550	788,859
Other expenses	16	34,458,755	31,028,832	50,089,985
Finance costs	17	237,683	556,869	13,217,999
Total expenses		82,271,268	154,129,060	288,471,921
Profit before exceptional items and tax		(17,346,380)	(2,640,636)	(48,659,704)
Exceptional items		-	-	2,700
Profit before tax		(17,346,380)	(2,640,636)	(48,662,404)
Income tax expense				
-Current tax		-	(1,827,153)	-
-Deferred tax		187,149	(14,142)	185,579
Total tax expense		187,149	- 1,841,295	185,579
Profit for the year		(17,159,232)	- 4,481,931	- 48,476,825
Other comprehensive income		-	-	-
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income for the year		(17,159,232)	(4,481,931)	(48,476,825)
Earnings per equity share for profit from continuing operation attributable to owners of company				
Basic earnings per share (in INR)		(2.10)	(0.55)	(5.93)
Diluted earnings per share (In INR)		(2.10)	(0.55)	(5.93)
The above statement of profit and loss should be read in conjunction with the accompanying notes.				
The Notes referred above form an integral part of the Balance Sheet				

Auditors' Report

As per our Report of even date attached
For D. S. SOLANKI & CO
Chartered Accountants
Firm Registration No. 124118W

Dharmendra Solanki
Proprietor
Membership No. : 115223
Place: Mumbai
Dated: 30th May 2018

For and on behalf of the Board of Directors

Gaurav Doshi
Chairman &
Managing Director

Ronak Doshi
Vice Chairman &
Whole Time Director

NEOGEM INDIA LIMITED

Cash flow statement

	Year ended 31 March 2018	Year ended 31 March 2017
A Cash Flow from operating activities		
Profit before income tax including discontinued operations	(17,346,380)	(2,640,636)
Adjustments for		
Add:		
Depreciation and amortisation expenses	743,406	771,550
Finance costs	237,683	556,869
	(16,365,291)	(1,312,217)
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	35,042,992	14,614,453
(Increase)/decrease in other financial assets	4,781,839	10,175,240
(Increase)/decrease in other current assets	5,120,190	4,254,770
Increase/(decrease) in trade payables	(31,313,254)	(12,918,986)
Increase/(decrease) in other financial liabilities	535,052	(239,942)
Cash generated from operations	(2,198,473)	14,573,317
Income taxes paid	-	(10,157,847)
Net cash inflow from operating activities	(2,198,473)	4,415,470
B Cash flow from investing activities:		
Purchase of Fixed Assets	(155,000)	-
Net cash outflow from investing activities	(155,000)	-
C Cash flow from financing activities		
Interest on Borrowings	(237,683)	(556,869)
Proceeds from Borrowings	433,713	(3,989,976)
Net cash inflow (outflow) from financing activities	196,030	(4,546,845)
Net increase/(decrease) in cash and cash equivalents	(2,157,443)	(131,375)
Add: Cash and cash equivalents at the beginning of the financial year	3,811,348	3,942,723
Cash and cash equivalents at the end of the year	1,653,906	3,811,348
Non Cash Financing and investing activities - Acquisition of property, plant and equipment by means of finance lease-		
Reconciliation of Cash Flow statements as per the cash flow statement		
Cash Flow statement as per above comprises of the following	31 March 2018	31 March 2017
Cash and cash equivalents	1,653,906	3,811,348
Balances as per statement of cash flows	1,653,906	3,811,348

The above statement of cash flows should be read in conjunction with the accompanying notes.

For D. S. SOLANKI & CO
Chartered Accountants
Firm Registration No. 124118W

Dharmendra Solanki
Proprietor
Membership No. : 115223

Place: Mumbai
Dated: 30th May 2018

For and on behalf of the Board of Directors

Gaurav Doshi
Chairman &
Managing Director

Ronak Doshi
Vice Chairman &
Whole Time Director

Note 1 : Statement of changes in equity

(A) Equity share capital		
	No of Equity Share	Amount
As at 31 March 2017	100,000	1,000,000
Changes in equity share capital	-	-
As at 31 March 2018	100,000	1,000,000
(B) Preference share capital		
	No of Equity Share	Amount
As at 31 March 2017	-	-
Changes in equity share capital	-	-
As at 31 March 2018	-	-
(C) Other equity		
	Reserves and Surplus	
	Securities premium reserve	Retained earnings
Balance as at 1st April 2017	1,433,234	5,915,166
Addition during the year		
Profit for the period	(17,159,232)	(4,481,931)
Other Comprehensive Income	-	-
Total comprehensive income for the years	(15,725,998)	1,433,235
Dividend paid	-	-
Balance as at 31 March 2018	(15,725,998)	1,433,235

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

Auditors' Report

As per our Report of even date attached

For D. S. SOLANKI & CO

Chartered Accountants

Firm Registration No. 124118W

Dharmendra Solanki

Proprietor

Membership No. : 115223

Place: Mumbai

Dated: 30th May 2018

For and on behalf of the Board of Directors

Gaurav Doshi

Chairman &

Managing Director

Ronak Doshi

Vice Chairman &

Whole Time Director

NEOGEM INDIA LIMITED

Notes to financial statements for the year ended March 31, 2018

1. Overview of the Company

Neogem India Limited (herein after refer as "Neogem") is a public limited company engaged in the business of manufacturing and trading of Gems & Jewellery.

2. Significant Accounting Policies:

Basis of preparation

a. **Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant Provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. 101 Refer note 22 for an explanation of how the transaction from previous GAAP to Ind AS has affected the Company's financial positions, financial performance and cash flows.

b. **Historical cost convention**

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities that is measured at fair value;

Investments and other financial assets:

Classification

The Company classifies its financial assets in the following measurement categories:

Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortized cost.

The Classification depends on the entity's business model for managing the financial assets and the contractual term of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable Election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets

carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

The group has transferred the rights to receive cash flows from the financial asset or

Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability is recognised when the obligation specified in the contract. Is discharged, completed or expired.

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits with banks and short term highly liquid investments, which are readily convertible into cash and have original maturities of three months or less from the Balance Sheet date.

7 Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Recognizing revenue from major business activities

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Income from Services

Revenue from services rendered is recognized as the service is performed based on agreements/ arrangement with concerned parties and revenue from end of the last billing to the balance sheet date is recognized as unbilled revenue.

NEOGEM INDIA LIMITED

Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing: the profit attributable to owners of the Company By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision

of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing costs

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds.

Other borrowing costs are expensed in the period in which they are incurred.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent cost are included in the asset's carrying value amount recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation / Amortization

Depreciation on property, plant & equipment is provided as specified in Schedule II to the Companies Act, 2013.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

For D S Solanki & Co
Chartered Accountants
Firm Reg. No. 124118W

Dharmendra S Solanki
Partner (M.No. F 115223)

Place : Mumbai
Date : 30th May 2018

For and on behalf of the Board of Directors

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

Notes to financial statements

Note 3: Property, plant and equipment

	Freehold Land	Plant and machinery	Electrical Fittings	Interior Works	Utilities	Furniture & Fixtures	Factory Equipments	Office Equipments	Air Conditioners	Computers	Bikes	Total
Year ended 31 March 2017												
Opening gross carrying amount	440,029	13,938,947	941,409	5,860,075	273,030	3,080,226	87,871	786,363	1,313,976	2,090,083	41,894	28,853,903
Opening gross carrying amount	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	440,029	13,938,947	941,409	5,860,075	273,030	3,080,226	87,871	786,363	1,313,976	2,090,083	41,894	28,853,903
-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment												
Opening accumulated depreciation	-	10,467,285	807,170	5,833,850	273,030	3,049,109	37,853	696,543	1,313,976	2,076,510	39,049	24,594,376
Depreciation charge during the year	-	676,296	52,881	21,392	-	6,608	7,255	1,992	-	5,126	-	771,550
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment	-	11,143,581	860,051	5,855,242	273,030	3,055,717	45,109	698,535	1,313,976	2,081,635	39,049	25,365,926
-	-	-	-	-	-	-	-	-	-	-	-	-
Net carrying amount	440,029	2,795,366	81,358	4,833	-	24,509	42,762	87,828	-	8,448	2,845	3,487,978
Year ended 31 March 2018												
Opening gross carrying amount	440,029	13,938,947	941,409	5,860,075	273,030	3,080,226	87,871	786,363	1,313,976	2,090,083	41,894	28,853,903
Opening gross carrying amount	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	155,000	-	-	-	-	-	-	-	-	-	155,000
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	440,029	14,093,947	941,409	5,860,075	273,030	3,080,226	87,871	786,363	1,313,976	2,090,083	41,894	29,008,903
Accumulated depreciation and impairment												
Opening accumulated depreciation	-	11,143,581	860,051	5,855,242	273,030	3,055,717	45,109	698,535	1,313,976	2,081,635	39,049	25,365,926
Depreciation charge during the year	-	673,418	52,800	4,833	-	2,358	7,255	1,992	-	-	750	743,406
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment	-	11,816,999	912,851	5,860,075	273,030	3,058,075	52,364	700,527	1,313,976	2,081,635	39,799	26,109,332
Net carrying amount	440,029	2,276,948	28,558	0	-	22,151	35,507	85,836	-	8,448	2,095	2,899,571

NOTES:

*The lease term in respect of leasehold land is 99 years.

*Contractual obligations : Refer to note no. 22 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes to financial statements

Note 4: Financial assets

Note 4(a) Trade receivables

	31 March 2018	31 March 2017
Trade receivables	411,067,159	446,110,151
Less: Allowance for doubtful debts	-	-
Total receivables	411,067,159	446,110,151
Breakup of securities details		
	31 March 2018	31 March 2017
Secured, considered good	-	-
Unsecured, considered good	411,067,159	446,110,151
Doubtful	-	-
Total	411,067,159	446,110,151
Less: Allowance for doubtful debts	-	-
Total trade receivables	411,067,159	446,110,151

4(b) Cash and cash equivalents

	31 March 2018	31 March 2017
Balances with banks		
- in current accounts	1,639,576	3,394,317
Cash on hand	14,330	417,032
Total cash and cash equivalents	1,653,906	3,811,348

Note 4(c) Inventories

	31 March 2018		31 March 2017	
	Current	Non-Current	Current	Non-current
Inventories	1,762,329		6,530,128	
Total other financial assets	1,762,329	-	6,530,128	-

4(d) Investment

	31 March 2018	31 March 2017
Punjab National Bank 180 shares of Face Value Rs. 2 (P. Y . 180 shares)	-	14,040.00
Total Investment	-	14,040.00
* Book Value of Quoted Investment	-	14,040
* Market Value of Quoted Investment	-	27,126

Note 5: Other assets

	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
<u>Balances with statutory authorities</u>				
Advance Tax & T.D.S	145,038	40,845	-	40,845
VAT Receivable	40,418	2,170,477	-	2,170,477
<u>Balances with Others</u>				
Security Deposit	-	230,740	-	205,740
Other Advances	124,522	-	5,455,168	-
Total other assets	309,978	2,442,062	5,455,168	2,417,062

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Note 6: Equity share capital and other equity

6(a) Equity share capital

Authorised Share Capital	Equity Share		Pref. Share	
	Number of shares	Amount	Number of shares	Amount
As at 31 March 2017	10,000,000	100,000,000	-	-
As at 31 March 2018	10,000,000	100,000,000	-	-
Issued, Subscribed and Paid up capital	Equity Share		Pref. Share	
	Number of shares	Amount	Number of shares	Amount
As at 31 March 2017	8,172,000	81,720,000	-	-
As at 31 March 2018	8,172,000	81,720,000	-	-

(i) Movements in equity share capital

	Number of shares	Equity share capital (par value)
As at 31 March 2017	8,172,000	81,720,000
As at 31 March 2018	8,172,000	81,720,000

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the shareholders will be eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shareholders holding more than 5% shares in the company

	31 March 2018		31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Urvinderpal Attarsingh	800,000	10%	800,000	10%
Gaurav Doshi	870,800	11%	870,800	11%
Rekha Doshi	1,089,950	13%	1,089,950	13%
Ronak Doshi	870,800	11%	870,800	11%

6(b) Reserve and surplus

	31 March 2018	31 March 2017
Securities premium reserve	6,116,000	6,116,000
Retained earnings	(15,725,998)	1,433,235
Share Warrant Forfeited account	3,456,000	3,456,000
Total reserves and surplus	(6,153,998)	11,005,235
(i) Securities premium reserve		
	31 March 2018	31 March 2017
Opening balance	6,116,000.00	6,116,000.00
Proceeds received	-	-
Closing Balance	6,116,000.00	6,116,000.00

6(b) Reserve and surplus (Contd.)

(ii) Retained earnings

	31 March 2018	31 March 2017
Opening balance	1,433,234	5,915,166
Add: profit for the year	(17,159,232)	(4,481,931)
Less Dividend payable	0	0
Closing Balance	(15,725,998)	1,433,235

(ii) Share warrant forfeited account

	31 March 2018	31 March 2017
Opening balance	3,456,000	3,456,000
Add : During the year	-	-
Closing Balance	3,456,000	3,456,000

Note 7: Financial liabilities

7(a) Borrowings

Current borrowings

	31 March 2018	31 March 2017
Secured Loan		
Punjab National Bank	120,734,483	120,363,221
Bank of India	46,192,992	46,130,541
Interest Payable	12,348,285	12,348,285
Total Current borrowings	179,275,760	178,842,047
Less: Current maturities of long term debt	-	-
Less: Interest accrued (included in note 9(c))	-	-
Current borrowings	179,275,760	178,842,047

*The company has obtained Secured Term Loan from Punjab National Bank & Bank of India

7(b) Trade payables

	31 March 2018	31 March 2017
Trade payables	160,663,527	191,976,781
Total trade payables	160,663,527	191,976,781

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

* The Company has not received any information regarding the status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under section 22 of the Micro, Small and Medium Enterprise Development (MSMED) Act regarding below mentioned details have not been given.

- (a) Amount due and outstanding to suppliers as at the end of the accounting year
- (b) Interest paid during the year;
- (c) Interest payable at the end of the accounting year; and
- (d) Interest accrued and unpaid at the end of the accounting year

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7(c) Other financial liabilities

	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
Other Payable	4,008,421	558,091	3,430,543	558,091
Others Payables	4,008,421	558,091	3,430,543	558,091

Note 8: Other liabilities

	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
Statutory dues Payables				
TDS Payable	39,952.00	-	82,778.00	-
Indirect Tax Payable	-	-	-	-
Deferred Rent Income	-	-	-	-
Total other liabilities	39,952.00	-	82,778.00	-

Note 9: Revenue from operations

	31 March 2018	31 March 2017
Sale of Products	52,457,512	151,488,424
Gain on Foreign Exchange	5,215,453	-
Revenue from operations	57,672,965	151,488,424

Note 10: Other income

	31 March 2018	31 March 2017
Labour Charges Received	7,251,923	-
Total other income	7,251,923	-

Note 11: Cost of material consumed

	31 March 2018	31 March 2017
Opening Stock	4,892,616	13,040,314
Add: Purchase during the year	35,450,059	102,697,525
Less: Closing Stock	(1,762,329)	(4,892,616)
Consumption for the year	38,580,346	110,845,223

Note 12: Purchase of Stock in Trade

	31 March 2018	31 March 2017
Opening Stock	-	862,830
Add: Purchase during the year	-	1,946,537
Less: Closing Stock	-	-
Consumption for the year	-	2,809,367

Note 13: Changes in Inventories of Finished Goods, Stock in Process

	31 March 2018	31 March 2017
Opening Stock		
Finished Goods	779,898	794,045
Work in Progress	526,174	1,605,064
	1,306,072	2,399,109
Closing Stock		
Finished Goods	-	779,898
Work in Progress	-	526,174
	-	1,306,072
(Increase)/Decrease in Stock of Finished & Semi Finished Goods	1,306,072	1,093,037

Note 14: Employee Benefit Expenses

	31 March 2018	31 March 2017
Salaries, Wages & Allowances	6,223,282	6,588,584
Bonus Allowance	-	40,076
Contribution to Provident and Other Fund	411,019	28,665
Staff Welfare Expenses	310,705	366,859
	6,945,006	7,024,184

Note 15: Depreciation

	31 March 2018	31 March 2017
Depreciation on Property, plant and equipment	743,406	771,550
Depreciation and amortisation expense	743,406	771,550

Note 16: Other expenses

	31 March 2018	31 March 2017
Auditors Remuneration	100,000	100,000
Commission Expenses Paid	2,064,744	1,177,300
Computer Expenses	59,078	67,283
Conveyance Expenses	51,899	76,089
Custodian Charges	51,503	190,843
Fuel Exp.	12,160	11,120
Insurance Premium	54,008	56,153
Interest on Delay Payment	28,556	427,032
Legal & Professional Charges	1,065,980	2,142,882
Listing Fees	287,500	229,836
Loss on Foreign Exchange	2,003,673	5,022,220
Office General Expenses	52,323	184,470
Other Expenses	197,937	168,775
Postage & Telephone Expenses	180,450	161,420
Printing & Stationery	75,510	139,531
Registrar & Filing Fees	39,371	99,184
Rent, Rates & Taxes	1,213,368	1,232,488
Repairs & Maintainance (Others)	250	6,825
Repairs & Maintainance (Plant & Machinery)	120,873	214,804
Security Charges	616,876	708,370
Sundry Bal. W/off	16,253,294	611,579
Travelling Expenses	-	17,790
Manufacturing Expenses	8,800,714	16,154,431
Selling & Distribution Expenses	1,128,688	1,828,407
Total	34,458,755	31,028,832

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16(a) Details of payments to auditors

	31 March 2018	31 March 2017
Payment to auditors		
Statutory auditors		
a) Statutory Audit fees	75,000	75,000
b) Tax Audit fees	25,000	25,000
Total	100,000	100,000

Note 17: Finance costs

	31 March 2018	31 March 2017
Bank charges	237,683	556,869
Total	237,683	556,869

Note 18: Current and deferred tax

18(a) Statement of profit and loss:

	31 March 2018	31 March 2017
(a) Income tax expense		
<u>Current tax</u>	-	-
Current tax on profits for the year	-	-
Total current tax (expense)/Saving	-	-
<u>Deferred tax</u>		
Decrease (increase) in deferred tax assets	-	-
(Decrease) increase in deferred tax liabilities	(23,253)	(210,402)
Total deferred tax expense/(benefit)	(23,253)	(210,402)

18(b) The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	31 March 2018	31 March 2017
Profit Before Tax	(17,159,232)	(2,640,636)
Statutory income tax rate		
Differences due to:		
Expenses not deductible for tax purposes	-	-
Carry forward losses of earlier years	-	-
Brought Forward losses adjusted/ carry forward losses	-	-
Effective income tax rate	-	-

18(c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have not been recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity

18(d) Deferred tax liabilities (net)

	31 March 2018	31 March 2017
Property, plant and equipment	(23,253)	(210,402)
Total deferred tax liabilities	(23,253)	(210,402)
Total deferred tax assets	0	0
Total deferred tax assets (Liability)	23,253	210,402

18(e)

Movement in deferred tax liabilities/assets	31 March 2017	(Charged)/credited:		31 March 2018
		- to profit or loss	- to other comprehensive income	
Property plant and equipment	(210,402)	187,149	0	(23,253)
Total	(210,402)	187,149	0	(23,253)

Note 19: Fair value measurements

19(a) Financial instruments by category

	31 March 2018 Amortised cost	31 March 2017 Amortised cost
Financial assets		
Trade receivables	411,067,159	446,110,151
Cash and cash equivalents	1,653,906	3,811,348
Inventory	1,762,329	6,530,128
Other Current assets	309,978	5,455,168
Total financial assets	414,793,372	461,906,795
Financial liabilities		
Other Financial liabilities	4,008,421	82,778
Other Current Liabilities	598,043	3,988,634
Trade payables	160,663,527	191,976,781
Total financial liabilities	165,269,991	196,048,193

19(b) Fair value hierarchy

No financial instruments are recognised and measured at fair value for which fair values are determined using the judgements and estimates.

During the year there are no financial instruments which are measured at Level 1 and Level 2 category.

The fair value of financial instruments referred above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1: This hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between the levels during the year.

Valuation processes :For level 3 financial instruments the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

The carrying amounts of all financial assets and liabilities are considered to be the same as their fair values.

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Notes to financial statements

Note 20: Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

A Management of Liquidity Risk:

Liquidity risk is the risk that the company will face in meeting its obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the company's credit rating and impair investor confidence. The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows as at the balancesheet date:

	Less than 1 year	1 to 5 years	More than 5 years	Total	Carrying Amount
Borrowings	-	179,275,760	-	179,275,760	179,275,760
Other Financial liabilities	3,253,107	755,314.00		4,008,421	4,008,421.00
Trade payables	-	-	160,663,527	160,663,527	160,663,527.00

B. Management of Market risks

Market risks comprises of:

- price risk; and
- interest rate risk

The company does not designate any fixed rate financial assets as fair value through profit and loss nor at fair value through OCI. Therefore company is not exposed to any interest rate risks. Similarly company does not have any financial instrument which is exposed to change in price.

C. Management of Credit Risks

Credit risk is the risk of financial loss to the company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the company's customer base being large and diverse and also on account of

member's deposits kept by the company as collateral which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

Company is not exposed to any other credit risks.

D. Capital Management

The company considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the balance sheet includes retained profit and share capital.

The company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Notes to financial statements

The company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders.

Note 21: Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Director of the Company. The company has identified the company as one reportable segment based on the information reviewed by CODM.

(a) Description of segments and principal activities

The Company is engaged In business of renting & leasing. The Company provide services to external customers.

(b) Segment revenue

The company operates as a single segment. The segment revenue is measured in the same way as in the statement of profit or loss.

Segment	31 March 2018		31 March 2017	
	Revenue from external customers	Total segment revenue	Revenue from external customers	Total segment revenue
Segment	52,457,512	52,457,512	151,488,424	151,488,424
Total segment revenue	52,457,512	52,457,512	151,488,424	151,488,424

The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from external customers	31-Mar-18	31-Mar-17
India	3,974,816	244,505
Outside India	48,482,696	149,043,372
Total	52,457,512	151,488,424

Note 22: Related party transactions

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

(a) Name of related parties and related parties relationship

Related Parties	Nature of relation ship	
	31-Mar-18	31-Mar-17
MR. GAURAV DOSHI	Director	Director
MR. RONAK DOSHI	Director	Director

Note 22(a): Related party transactions

The Following transactions were carried out with the Related Parties in the ordinary course of business.

Sr.No.	Nature of Transaction	For the year ended 31 March 2018		For the year ended 31 March 2017	
		MR. GAURAV DOSHI	MR. RONAK DOSHI	MR. GAURAV DOSHI	MR. RONAK DOSHI
1	Loan Taken	233,820.00	132,500.00	-	-
2	Loan Taken Repaid	-	-	-	-
3	Busines Advance Taken	-	-	-	-
4	Busines Advance repaid	-	-	-	-
5	Interest Paid	-	-	-	-
6	Share Application Money Received	-	-	-	-
7	Share Application Money Refunded	-	-	-	-
8	Equity Shares Issued	-	-	-	-
	<u>Balance outstanding at the end of the year</u>				
	(Payable)	233,820.00	132,500.00	-	-
	Receivable	-	-	-	-

Note 23: Earnings per share

	31 March 2018	31 March 2017
(a) Basic and diluted earnings per share		
Profit attributable to the equity holders of the company	(17,159,232)	(4,481,931)
Total basic earnings per share attributable to the equity holders of the company(in Rs.)	NA	NA
Total diluted earnings per share attributable to the equity holders of the company(in Rs.)	NA	NA

(b) Weighted average number of shares used as the denominator

	31 March 2018 No. of shares	31 March 2017 No. of shares
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	8,172,000	8,172,000

Note 24: Note

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 & 31-03-2018. 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.

We refer to the outstanding debtor's receivable as reflected in current assets of Rs. 41,10,67,159/- which are outstanding for more than three years. The amount outstanding are unconfirmed by the parties.

We refer to the outstanding creditor's payable as reflected in current liabilities of Rs. 15,71,16,849/- which are outstanding for more than three years. The amount outstanding are unconfirmed by the parties.

Notes to financial statements

Note 25: Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset and other similar agreements but not offset, as at 31 March 2018 and 31 March 2017 . The column 'net amount' shows the impact on the company's balance sheet if all set-off rights were exercised.

	Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial instrument collateral	Net amount
31-Mar-18					
Financial assets					
Trade receivables	411,067,159	-	411,067,159	-	411,067,159
Cash and Cash Equivalent	1,653,906	-	1,653,906	-	1,653,906
Inventory	1,762,329	-	1,762,329	-	1,762,329
Other Current Assets	309,978	-	309,978	-	309,978
Total	414,793,373	-	414,793,373	-	414,793,373
Financial liabilities					
Trade payables	160,663,527	-	160,663,527	-	160,663,527
Other Financial Liabilities	4,008,421	-	4,008,421	-	4,008,421
Other Current Liabilities	39,952	-	39,952	-	39,952
Total	164,711,900	-	164,711,900	-	164,711,900
31-Mar-17					
Financial assets					
Trade receivables	446,110,151	-	446,110,151	-	446,110,151
Cash and Cash Equivalent	3,811,348	-	3,811,348	-	3,811,348
Inventory	6,530,128	-	6,530,128	-	6,530,128
Other Current Assets	5,455,168	-	5,455,168	-	5,455,168
Total	461,906,795	-	461,906,795	-	461,906,795
Financial liabilities					
Trade payables	191,976,781	-	191,976,781	-	191,976,781
Other Financial Liabilities	82,778	-	82,778	-	82,778
Other Current Liabilities	3,430,543	-	3,430,543	-	3,430,543
Total	195,490,102	-	195,490,102	-	195,490,102

(a) Offsetting arrangements

(i) Trade receivables and payables

The group gives volume-based rebates to selected trade customers. Under the terms of the supply agreements, the amounts payable by company are offset against receivables from the trade customers and only the net amounts are settled. The relevant amounts have therefore been presented net in the balance sheet.

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Notes to financial statements

26. ASSETS PLEDGE AS SECURITY

The carrying amounts of assests pledged as security for current and non - current borrowings are :

Particulars	31 March 2018	31 March 2017
Current Assets		
- Trade Receivables	411,067,159	446,110,151
- Inventory	1,762,329	6,530,128
Financial Assets		
Property, Plant and Equipment	2,899,571	3,487,978
Total Assets pledged as Security	415,729,060	456,128,257

Note 27: Contingent Liabiltiy and Commitments Rs. Nil (2017: Nil)

Note 28: Previous Year Comparatives:

Previous Year figures have been regrouped, recast and reclassified where ever necessary to confirm to current year's presentation.

For D. S. SOLANKI & CO
Chartered Accountants
Firm Registration No. 124118W

Dharmendra Solanki
Proprietor
Membership No. : 115223

Place: Mumbai
Dated: 30th May 2018

For and on behalf of the Board of Directors

Gaurav Doshi
Chairman &
Managing Director
DIN : 00166703

Ronak Doshi
Vice Chairman &
Whole Time Director
DIN : 00102959

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-SEVENTH ANNUAL GENERAL MEETING** of the Company held on Saturday, 29th September 2018 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:

(Proxy's Name in Block letters)

(Member's /Proxy's Signature#)

Strike out whichever is not applicable

ROUTE MAP OF THE VENUE TO THE 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]

27th Annual General Meeting - September 29, 2018

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

- Name:.....Email Id:.....
Address:.....
Signature:....., or failing him/her
- Name:.....Email Id:.....
Address:.....
Signature:....., or failing him/her
- Name:.....Email Id:.....
Address:.....
Signature:....., or failing him/her

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on the 29th day of September 2018 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
	Ordinary Business		
1.	Adoption of Audited Financial Statement along with Report of Directors' and the Auditor for the financial year ended March 31, 2018.		
2.	Appoint a Director in place of Mr. Ronak Doshi (DIN: 00102959), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Ratification of appointment of M/s. D S Solanki & Co, Chartered Accountants (Firm Registration No. 124118w), as Statutory Auditors of the Company.		

Signed this _____ day of _____ 2018

Signature of Shareholder

Affix
One Rupee
Revenue
Stamp

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

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