

NEYCER INDIA LIMITED
58TH ANNUAL REPORT - FY2018 - 2019
CORPORATE INFORMATION

Corporate Identity Number: L26109TN1960PLC004145

Board of Directors:-

- | | |
|--------------------------------|------------------------|
| 1. Y. Mohan prasad | -Whole Time Director. |
| 2. Mr. Ganpathy Krishnamoorthy | -Independent Director. |
| 3. Mr.Bachiame | -Independent Director. |
| 4. Mrs. Jayalakshmi | -Independent Director. |

Company Secretary

-Mr. G Raghavan

Chief Financial Officer

-G R Ananthakrishnan

Board Committees:

Audit Committee:

1. Mr.G.Krishnamoorthy
1. Mr.Bachiame
2. Mr.Y.Mohan

Stakeholders Relationship Committee.

1. Mr. Ganapathy Krishnamoorth
2. Mr. Bachiame
3. Mr. Y Mohan Prasad

Nomination and Remuneration Committee

1. Mr. Ganapathy Krishnamoorthy
2. Mr.Bachiame
3. Mrs. Jayalakshmi

Statutory Auditors

M/s. SNS Associates., No.25, 11th Cross Street
Indira Nagar, Chennai 600 020

Secretarial Auditors

M/s. Lakshmmi Subramanian & Associates,
81, MNO Complex, Greams Road,
Thousand lights, Chennai – 600006.

Internal Auditors

M/s. R. Sundararaman & Co
No 30/2, Indira colony,
Ashok Nagar, Chennai - 600 083

Registrars & Share Transfer Agents

M/s. Cameo Corporate Services Ltd.,
“Subramanian Building”, 1, Club house road,
Chennai – 600002. Phone: 044 28460390.

Stock Exchanges Where Company's Securities are listed

The Bombay Stock Exchange Limited (BSE)

Registered Office

No. 145, St. Mary's Road, Alwarpet, Chennai – 600 018.

Email id: investor@neycer.in Website: www.neycer.in

Investor Relations e-mail ID: investor@neycer.in

Contact No: 044-45088111

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **58th Annual General Meeting** of the Company will be held on Saturday, 28th September, 2019 at No.145, St. Mary's Road, Alwarpet, Chennai 600 018 at 11.00. A.M to transact the following Business.

ORDINARY BUSINESS**Item No.1 – Adoption of Financial Statements**

To receive, consider and adopt the financial statements (Standalone and consolidated financial statements) of the Company for the financial year ended 31st March 2019, including the Statement of Profit & Loss of the Company for the year ended on that date, along with the reports of the Board of Directors (the Board) and Auditors thereon.

Item No. 2 – Appointment of Shri Y Mohan Prasad as a Director liable to retire by rotation

To re-appoint Shri Y Mohan Prasad (DIN 01888892) who retires by rotation, and being eligible, offers himself for reappointment.

SPECIAL BUSINESS**Item No. 3 - Increase in borrowing power in terms of section 180(1) (c) of the Companies act 2013**

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

“RESOLVED THAT pursuant to section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time, for the purpose of the Company's business, such sum of money, as they in their absolute discretion think fit, notwithstanding that the monies so borrowed together with the monies already borrowed by the company and remaining outstanding shall be in excess of the aggregate of the paid-up share capital and free reserves, but not exceeding Rs.200 Crores (Rupees Two Hundred Crores only) over and above the paid up share capital and free reserves for the time being of the company

RESOLVED FURTHER THAT the Board be and is hereby to do all such acts, deeds and things as may be required, with power to settle all questions, or doubts that may arise in this regards as it may in its sole and absolute discretion deem fit and to delegate all or any of its power herein conferred to any committee and/or director(s) and/or officers(s) of the company , to give effect to this resolution.”

Item No. 4 - Approval for sale of property in terms of Section 180(1)(a) of the Companies Act, 2013

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

RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and any other applicable provisions if any, of the Companies Act, 2013(including any statutory modifications or re-enactments thereof for the time being in force) and the Memorandum and Articles of Association of the Company and subject to compliance of all applicable laws and regulations and such permissions, approvals, consents and sanctions as may be necessary from the concerned/statutory authorities and subject to such other terms and conditions as may be imposed by them, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to “the Board” which term shall be deemed to include any duly constituted Committee thereof) to sell, transfer or otherwise dispose of the Company's immovable property situated at Abatharanpuram (Village), Panruti Main Road, Vadalur, Cuddalore District 607303 in accordance with Section 180(1)(a) of Companies Act, 2013, to any prospective buyer, in such manner/arrangements, for consideration as the Board may consider appropriate, on such terms and conditions and with effect from such date as may be decided by the Board.

RESOLVED FURTHER THAT the Board be or the constituted committee of Directors and is hereby authorized to finalize the terms and conditions without further referring the matter to the Members of the Company, as well as the means, methods or modes in respect thereof and to finalize and execute all required documents including agreements, memoranda, deeds of assignment/conveyance and other documents with such modifications as may be required from time to time and to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient in its discretion for completion of the transaction as aforesaid in the best interest of the Company, including to seek registration of any such documents, deeds as may be necessary, filing intimations, applying for and/or behalf of the Company and seeking approvals/consents of necessary parties, including without limitation regulatory authorities, for giving effect to this resolution and that the Board shall also have the power and authority to delegate all or any of its powers conferred herein, to the aforesaid committee of two Directors as it may deem fit to give effect to this resolution.

Date: 14.08.2019

Place: Chennai

**By the order of the Board
For Neycer India Limited**

G Raghavan
Company Secretary

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE, AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of not exceeding 50 members and holding in aggregate not more than 10% of the total share capital of the Company.

Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of Board Resolution on the letter head of the Company, signed by one of the Directors or Company Secretary or any other authorized signatory and / or duly notarized Power of Attorney, authorizing their representatives to attend and vote on their behalf at the Meeting.

The instrument appointing proxy (duly completed, stamped and signed) in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the 58th Annual General Meeting of the company.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the company, provided not less than 3 days written notice is given to the company in advance.

The Members / Proxies / Authorised Representatives are requested to bring the duly filled Attendance Slips and their copy of Annual Report enclosed herewith to attend the Meeting.

Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the Company will remain closed from September 21st to October 2nd 2019 (both days inclusive) for the purpose of Annual General Meeting.

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the Members at the AGM.

The relative Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 setting out material facts in respect of the special business under Item No. 3 & 4 of the Notice is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (LODR) REGULATIONS, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment / re-appointment as Director under Item No.2 of the Notice, are also annexed.

In accordance with the provisions of Section 191 of the Companies Act, 2013 and Rule 18 of the Companies (Management and Administration) Rules, 2014 and Regulation 36 of the SEBI (LODR) Regulations, 2015, this Notice and the Annual Report of the Company for the financial year 2018 – 19 are being sent by e-mail to those Members whose e-mail address are available with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the company by the Depositories.

Members holding shares in physical form and in electronic mode are requested to immediately notify change in their address and updates of savings bank account details, if any, to their respective Depository Participant(s) and to the Registrar and Share Transfer Agents.

Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.

Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company Secretary at least seven days in advance of the Meeting so that the information required can be readily made available at the Meeting.

All documents referred to in the accompanying Notice and the explanatory statement requiring the approval of the Members at the AGM and other statutory registers shall be available for inspection at the Registered Office of the Company during business hours on all days, except Saturdays, Sundays and National Holidays from the date hereof up to the date of Annual General Meeting.

With effect from 1st April 2014, inter alia, provisions of Section 149 of Companies Act, 2013 has been brought into force. In terms of the said section read with section 152 (6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors.

Profile of directors seeking re-appointment is provided in the report on corporate governance, which forms an integral part of this annual report.

Information in respect of such unclaimed dividend when due for transfer to the Investor Education and Protection Fund.

The Company does not have any unpaid dividends which are due for transfer to the Investor Education and Protection Fund as on 31st March 2019.

V. Voting through electronic means:

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (LODR) Regulations 2015, the Company could not provide the e-voting facility to the members since the demat data could not be got activated from the depositories through RTA. Hence voting by ballot paper at the AGM venue is only arranged.
2. 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 date of book closure 21st September 2019.
3. **Mrs. Lakshmi Subramanian Practicing Company Secretary**, (Membership No.1087.) has been appointed as the Scrutinizer to scrutinize the Ballot voting process (non-e-voting) at the AGM in a fair and transparent manner.
4. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and shall make, not later than 48hrs of the conclusion of the AGM, a scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
5. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
6. The manner of voting for Members being present in the AGM will be on "proportion principle" i.e. one share one vote unlike one person one vote principle as on record date of 28th September 2019.
7. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer for all those members who are present at the AGM.

Date: 14.08.2019

Place: Chennai

**By the order of the Board
For Neycer India Limited**

**G Raghavan
Company Secretary**

Route Map showing directions to reach the venue of the 58th AGM is as under:



INFORMATION AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LODR) REGULATION, 2015 IN RESPECT OF DIRECTORS BEING RE-APPOINTED/ APPOINTED

Name of the Director	Mr. YALAMANCHALI MOHAN PRASAD
Date of Birth	27/06/1943
DIN	01888892
Date of Appointment	01/04/2017
Relationship With Other Directors	Not related to other directors
Expertise in Specific Function Area	Experience in Business as entrepreneur for more than 2 decades
Qualification	Graduate
Board Membership of the Other Companies as on 31.3.2019	
Public Limited Companies	Designation
M/s. SPARTEK CERAMICS INDIA LIMITED	Director
Private Limited Companies	Designation
M/s. UNIFORT CERAMICS PRIVATE LIMITED	Director
M/s SRIVEN VENTURES INDIA PRIVATE LIMITED	Director
Chairmanship/Membership of the Committees of the Board of Directors of the Company as on March 31,2019	
Audit Committee	Member
Stake Holders Relationship Committee	Member
Nomination & Remuneration Committee	Nil
Chairmanship/Membership of the Committees of Directors of other Companies in which he is a Director as on March 31, 2019	
Audit Committee	NA
Stake Holders Relationship Committee	NA
Nomination & Remuneration Committee	NA
Share Holding in the Company	2 shares

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

Item No. 3 -

Your company is poised for future expansion of business. And in view of that your Board of Directors thought it fit to take the approval for borrowing in excess of a present limit. Therefore, it is considered necessary to increase the Board's borrowing powers to Rs. 200 Crore over and above the paid-up share capital and free reserves of the company. Accordingly, the consent of the, members is sought under section 180(1) (c) of the Companies Act,2013.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested in the resolution. Accordingly, the Board of Directors recommends resolution set out under Item No.3 of the AGM notice for the approval of shareholders.

Item No.4 -

In terms of Section 180(1)(a) of the Companies Act, 2013 the Board of Directors of the Company cannot, except with the permission of the shareholders by a special resolution, have the right to sell, lease, transfer or otherwise dispose off the whole or substantially the whole of the undertaking of the Company in which the investment of the Company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year. Therefore, this resolution is being passed pursuant to the provisions under Companies Act, 2013 as a precautionary measure.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested in the resolution. Accordingly, the Board of Directors recommends resolution set out under Item No.4 of the AGM notice for the approval of shareholders.

By the order of the Board of Directors

Date: 14.08.2019

Place: Chennai

G Raghavan

DIRECTORS' REPORT**Dear Shareholders,**

Your Directors have pleasure in presenting the Fifty Eighth Annual Report and Audited Accounts of the Company for the financial year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS**(Rs.)**

	2018-19	2017-18
Revenue from Operations	62400492	177038414
Other income	144431890	8035086
Total Income	206832382	185073500
Profit before financial expenses, depreciation and exceptional items	92058976	-5158777
-Less: Financial expenses	3692381	11007582
Depreciation	9857373	10062294
Profit for the year	78509222	- 26,228,653
Less: Provision for Income tax		
Profit after tax	78509222	- 26,228,653
Add: Profit brought forward		-
Amount available for appropriation		-
Dividend on Equity Shares		-
Tax on Dividend		-
General Reserve		-
Balance Profit carried to Balance sheet	78509222	- 26,228,653

PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

The Company has achieved Net sales of Rs.6.24 Crores for the year ended 31st March 2019 as compared to Rs.17.70 Crores in the previous year.

The Company has incurred a Net Profit of Rs.7.85 Crores as against a loss of Rs.2.62 Crores in the previous year.

The production during the year was lower. Under review, the production was 450 tonnes as against 1878 tonnes during corresponding previous year. The production would have been higher but the stoppage of operation from July 2018 due to a number of factors that contributed to it. ***non-availability of gas continuously and frequent breakdown of machinery caused such fall in tonnes produced. There was also no working capital available for the company by the company's bankers. In view of the same, your directors were forced to sell the surplus land available with the company and pay off the dues to bank.

Your directors are taking necessary steps to restart the plant after arranging working capital and refurbishment of machinery. A few major events below, which forced the company to stop operations are elaborated to allow shareholders to get a correct perspective of issues faced by the company.

Arbitration award - GMB Ceramics Limited

"The Division Bench of Calcutta High Court Allowed the Appeal in the order Dated 24.09.2018 confirming the most unusual & unheard of arbitration award of the Umpire and dismissed the appeal of the company against the Single Judge Bench order dated 14.10.2015, where the Single Judge Bench partially allowed the appeal for Rs 2 crores, and dismissed all other claims which were earlier awarded by the umpire for Rs 1169.63 lakhs for damages along with interest @ 15% till the date of payment. This award amount now restored by the Division Bench comes to around 2250 times the net knowhow fee of Rs 2 lakhs paid by GMB to Neycer for services.

An agreement was made between GMB and Neycer where the agreement was styled as "Consultancy" dated 26.11.1986 as modified later as "Collaboration agreement". These were done prior to change of management & ownership where Neycer provided technical knowhow to set up a sanitaryware plant for GMB Ceramics. These constitute basic structure for the disputes raised.

At present SLP has been moved to the Supreme Court and the Learned Chief Justice made a Docket Order stating "There shall be stay of the execution proceedings, subject to deposit of a sum of Rs.2,00,00,000/- (Rupees two crores only) on account of the principal amount

and another amount of Rs.2,00,00,000/- (Rupees two crores only) by way of interest (subject to due calculation at a subsequent point of time) by the petitioner. The said amounts will be deposited within four weeks from today, where after it will be open for the respondent to withdraw the said amount of Rs.4,00,00,000/- (Rupees four crores only), subject to furnishing of an undertaking before the Court that it will return the said amount if the same is required under orders of this Court at any subsequent point of time." Dated 24.09.2018. To rescue the company from liquidation, this payment was made by diverting funds meant for operations and repairs of the plant out of an inevitable sale of a portion of unused land to remit the funds of Rs 4 crores as ordered by Supreme Court. This resulted in closure of plant operations.

- The financial burden on an already sick and closed company is huge and that limits our ability to fund high legal costs at Supreme Court. We like to inform the shareholders that a fair judgement from the Hon'ble Supreme Court is essential for survival of the company. The company is strong on the merits of the case and has faith in and hopes to get a fair opportunity to present our case fully by the Supreme Court despite the time pressure on it due to many pending cases.
- The summary is given below:
- Rs 2 lakhs fee is received by Neycer in 1989 for knowhow fee and 1.8 lakh shares of GMB Ceramics was awarded as part of arbitration award to "Consultant" Neycer (BIFR company on revival) in 1999. GMB was closed 5 years before then and thus ZERO value shares were awarded (not yet delivered) from GMB, which has no or negligible revenue/real assets/operations and almost a shell/dormant company for 24 years & survived 3 winding up orders. The award confirmed by Calcutta High Court order (Annexure 1) gives GMB around Rs 4500 lakhs award for damages to GMB in 2018!!! Thus the award for damages is around 2250 times the net knowhow fee received by Neycer and is over 6 times the project cost of GMB.

▫ Award includes claims for interest not paid by GMB on loans borrowed by them which was written off by banks, ALSO claims for loss of profit even for 2 year+ period GMB was closed for labour problems etc as per banks and BIFR, ALSO claims for ESTIMATES of Advertisement costs "NOT" incurred and ALSO many speculative/time barred claims. Award generously and liberally misinterpreted or ignored evidence on record.

▫ GMB, in these 29 years, created innumerable hurdles at many forums like BIFR,AAIFR, NCLT, High courts of Calcutta, Chennai, Delhi, Orissa etc by recycling even dismissed litigations repeatedly to obstruct and destroy revival of Neycer & group companies.

More details are given below :

Petitioner for SLP : Neycer India Limited (Neycer), Tamilnadu

Neycer, a reputed brand in sanitaryware, is a 57 years running company on revival after approved BIFR scheme employing over 300 workers and giving uninterrupted yearly revenues to Govt of a few hundreds of crores rupees so far. Livelihood of about 1500 people is dependent on the functioning of the Plant.

Respondent for SLP : GMB Ceramics Limited (GMB), Calcutta

▫ GMB had operational problems since 1989 and it made a reference to BIFR in 1992. GMB has no operations for past 27 years since 1991 except for 3 years before 1997. Other than this litigation, GMB did not report any business in the past 25 years. Revenues as per GMB accounts show annual revenues of ZERO or negligible for the past 21 years. Thus, it almost falls into category of a shell/dormant company for almost 25 years.

▫ After many opportunities, BIFR vide its Order dated May 02, 2000 (Annexure 2) confirmed winding up of GMB. AAIFR also confirmed winding up of GMB on 17/10/2000 (Annexure 3). The winding up proceedings were initiated before the Company Judge, Orissa High Court, who appointed Official Liquidator (Annexure 2).

Facts of the Case

▫ GMB entered "Consultant" agreement with Neycer (Annexure 4) to set up plant to manufacture of vitreous sanitary ware. Disputes arose between the Parties in relation to several breaches of Contract by GMB including the date of commissioning of the Plant by Neycer and consequent damages sought by GMB.

▫ Consequently, the matter was referred to Arbitration in 1992. GMB's Managing Director, Mr. R. A.Jalan vide Telex messages dated 05.10.1989 and 19.10.1989 has preferred a specific Claim of only Rs.2 crores for Arbitration(Annexure 5).

▫ Though the original Claim of GMB which was referred to Arbitration was only Rs.2 crores, the Umpire granted an Award (Annexure 6) of Rs.1169.63 lacs on June 23, 1999 as under, allowing amendments which were time barred (allowed after the period of Limitation), with interest @15% p.a., to the Respondent, which now comes to around Rs 45 crores.

Award details:

Rs. In Lacs

	Award
Schedule A (for delay in Project implementation, which is contrary to the material evidence on record)	39.14
Schedule B (Research & Technology Development expenses)	0.00
Schedule C (for Advt& Branding estimates which was never incurred by GMB and are estimates, fictitious and are speculative, awarded even for the period operations were closed for 2 years for labour and other problems, as per BIFR order dt 30.5.1995)	203.43
Schedule D (for not providing Marketing assistance for which no evidence was produced by GMB, speculative)	123.61
Schedule E (for loss of Profit which is based only on projections by GMB, which is speculative and fictitious and not supported by any evidence, awarded even for the period operations closed for 2 years for labour and other problems, as per BIFR order dt.30.05.1995)	346.45
Schedule F (for Interest which was waived/written off by the respective Banks)	456.99
Total Award (Principal)	1169.63

The award with interest as confirmed by Calcutta High Court in 2018 comes to around Rs 45 crores!!

(2250 times the actual know how fee paid by GMB to Neycer)

Ignored Facts or Misinterpreted Evidence on record:

The Award was speculative, time barred and Un incurred/unverified Claims were allowed. Material evidence & written filings was ignored and available evidence misinterpreted and the Umpire travelled beyond his jurisdiction.

□ The Umpire on the sole basis of a project/feasibility report (noted at page 229/l of award) has allowed a claim of 3.46 Crores 'in full' as damages under Schedule E that is loss of profit (see page 232/l), which included even the period when factory is closed for around 2 years from 25.10.1991 for which labour problems, power and others were the reasons for closure of plant as per BIFR order and IFCI's report and have nothing to do with Neycer's role.

□ As per DRS sanctioned by BIFR for GMB, dated May 30, 1995, IFCI, the OA categorically mentioned that "The plant of GMB was Closed on 25th October, 1991 due to labour problems and disconnection of electric power as the dues of Orissa State Electricity Board (OSEB) had not been Paid." They also added that "he operations of GMB have been below breakeven level right from the beginning mainly due to lack of proper infrastructure leading to disruption in availability of raw material and despatch of finished goods, low labour productivity coupled with strained industrial relations, adverse climatic conditions affecting mould and green ware drying and high rate of rejections in casting, as a result of which it incurred continuous cash losses and failed to meet its obligations to the Institutions. The plant, which was closed since 26th October 1991 has been restarted in August, 1993."(Annexure 7).

□ In addition, the Umpire ignored the above facts and awarded GMB's Claim of Rs 203.43 lakhs(Schedule C of award) for un incurred estimates of Branding and Advertising expenditure or other costs above even for the period operations were closed for reasons nothing to do with Neycer, despite IFCI & BIFR orders confirming that. The real costs as per filed accounts of GMB are less than Rs 15 lakhs in that period.

□ The award included even the interest not paid by GMB & written off by the FIs. As per the annual report of the Company, the FI's waived an amount of Rs.519.64 lacs as interest and Rs.910 lacs as principal and total waiver amounted to Rs.1429.64 lacs Source: Annual Report of GMB for year ended March 31, 2012, enclosed as Annexure 8). Hence there is no loss of whatsoever nature to GMB Ceramics Limited on account of Neycer. This award gives double undue enrichment to GMB and if upheld by Supreme Court must be paid back to FIs that wrote off.

□ The entire Award of Damages by the Umpire was based on the wrong conclusion of "delay in commissioning the plant" by Neycer by misinterpretation and ignoring of facts on record and which formed part of the Umpire award itself. The "In Principle Sanction letter" of May 1987 from one of the Lenders (Annexure 9) for part loan (...%) subject to balance tie up and many conditions to be fulfilled by GMB was wrongly interpreted as the date of the final Sanction Letters of all the consortium Lenders, whereas the Final Loan Sanction letters/ Loan Agreement was received only in December 1987 (Annexure 10). As foreseen in the Agreement & as confirmed by the statements of GMB enclosed with the arbitration award, the Plant was commissioned in May 1989 (and Trial runs completed in July 1989) which was well within the 18 month timeframe as contemplated in the Agreement. Hence, there was no delay in commissioning the Plant. The MD of GMB (Mr R.A.Jalan) in his written submission to the Umpire has accepted that the Plant was commissioned in May 1989 (page

45 of the Umpire Award) (Annexure 11). GMB in its written statement to the Arbitrator has also confirmed that the Plant was commissioned in May 1989 (Annexure 12, page 224 of the award). The 18 months as per the agreement applies only for plant commissioning and not for Commercial production, which is dependent on many things to be done by GMB itself and not consultant. Based on the wrong assumption of in principle sanction date of only part loan as Loan Sanction date and b) the consequent wrongly interpreted commissioning dates, by ignoring & misinterpreting the evidence on record, the Umpire accepted GMB's Claims on the grounds of 'Overrun' and awarded all claims totalling Rs.11.69 crore, when the claim referred for arbitration was Rs 2 crores.

▫ Misinterpretation of Clause 20 of Agreement : Further, the Collaboration Agreement clearly mentions in Clause 20 (Annexure 4) that Neycer would 'endeavour' to complete the Project. However, the Umpire misinterpreted 'endeavour' and treated it as 'obligation' which is not the intention of the Agreement between the Parties and which is subject to many other factors.

▫ Thus, there is neither delay in commissioning, nor obligation of any time frame of 18 months for it as per clause 20 of the agreement.

▫ Clause 13 of the Collaboration Agreement (Annexure 4) clearly mentions that the Collaborators and their Associate Companies shall not be called upon to find ways and means to provide additional funds in the event of "Overrun" raising from whatsoever causes there may be and that it will be the sole responsibility of GMB for procuring additional funds that may be needed. However, the award added all speculative and unincurred estimates towards Overrun

ONE TIME SETTLEMENT OF DUES TO BANK:

Your directors are pleased to inform you that the company has paid off entire dues to Bank of India under one-time settlement (OTS) dues scheme of the bank. The company had to pay more than 100% of principal amount to the bank towards the settlement. Your company exclusively banked with Bank of India since inception 57 years ago. The bank earned hundreds of crores of income with this association and has been supportive to the company until 9,10 years ago after which the bank while agreeing with the viability of the company concentrated only on over dues and adjusted more than Rs 10crores from collections on a daily deduction basis without being sensitive to operations of the company. This resulted in stoppage of operations many times and also damaged the machinery. This is in addition to the OTS amount mentioned above. As can be seen from the summary below, the bank's actions and delays resulted in aggravating the cash crunch situation further resulting in stoppage of operations. The Company had to sell a portion of the land for this purpose to pay the bank. The following is the summary

- Neycer banked exclusively with Bank of India (BOI) since inception for the last 55 years
- Neycer brand is well known & commands premium for sanitary ware in India and abroad for decades.
- Neycer became sick and was taken over by Spartek and was referred to BIFR (case no.29/92) in 1991. BIFR scheme approved after 17 years in Oct 2008.
- Investor group brought in by the Promoters negotiated a onetime settlement with ICICI, IDBI & LIC and acquired their entire debt and consequently Bank of India became the paripassu secured creditor.
- In addition, Promoters brought in Rs.6 crores as required by BIFR scheme.
- The company has not sought for any waivers from Bank of India though other Fis granted waiver of 100% interest and 60% principal and Bank of India continued with the company.
- Though the company was sick and was referred to BIFR since 1990, promoters kept up all commitments to Bank of India and thus Neycer was a standard asset for Bol till 2006, as the sanitary ware division remained profitable all the time.
- The reconciliation of the principal amount due and interest not completed even after nine years of BIFR approval, as the bank wrongly debited penal interest, compound interest and interest for tile plant which is not as per the scheme approved by BIFR.
- The company's operations were profitable from 2010 to 2012 after the scheme was approved in 2008.
- The profit cycle was hit by Natural calamity "Thane" cyclone in Dec 2011 which damaged Rs 7.5 crores of productive assets and more than 50% of capacity was damaged.
- The company received meagre insurance claim against damages actually incurred resulting in loss of Rs.5 crores that too after 9 months delay, adversely affecting the operations.
- This disruption caused the inability of the Company to keep up its commitment of repayment of term loans to Bol in Jan 2012. Bol did not consider numerous requests since 2012 to the bank to allow Adhoc loan or bridge finance pending insurance claim or at least defer

repayments in view of national calamity damage. Adding fuel to the fire, the bank started recovering Rs.50000/- per day at a time when production completely stopped for 3 months due to natural calamity and when funds badly needed to repair the damage.

- The unilateral deduction by the bank has resulted in the company continuously defaulting the statutory dues and affected the operations of the company.
- The company, during 2012 proposed sale of surplus unutilised land and use the proceeds to fund urgent capital expenditure to restore the damaged capacity, repay bank, pay statutory and worker dues. Later, the Bank finally approved asset sale in 2014 subject to approval of BIFR.
- Based on discussions with the then Chairperson and senior management the company submitted another comprehensive proposal to Bank in March 2016 exactly on the lines suggested by bank. However, this remained under consideration with no decision till 2018.
- The BIFR which was non-functional from Feb 2015 to June 2016, finally gave a hearing on 16th November 2016. Bol in spite of its earlier approval of sale of assets, requested for postponement of the hearing to study the proposal, mainly due to communication gap arising out of change of executives within the bank. The next hearing was postponed to 12th December 2016.
- Unfortunately, BIFR was wound up by the Govt. with effect from 1st December 2016 and the subjects will be dealt by NCLT at a future date.
- Thus, the company's restructuring and asset sale proposals were pending from 2012 and the bank retained more than Rs 10 crores towards its loans and interest by deducting Rs.50000/- per day, when the company's operations were paralysed for want of funds.
- In spite of all the above factors, the company's pending orders were always to the tune of Rs.100 lakhs at any time, which could not be supplied due to insufficient capacity. An export order worth more than Rs.35 crores could not be fulfilled. The company offered to get letters of orders from at least 100 dealers for additional sales if only the bank can provide working capital or temporarily stop Rs 50,000 per day deduction for retaining cash in company or allow the company to sell surplus lands and use the proceeds to regularize over dues of bank, statutory dues and working capital.
- Company made numerous requests since 2013 to bank at DGM/AGM levels to visit plant and understand operations and support by not deducting Rs.50000/- per day for a few months till we restore capacity. It did not happen.
- The Company employs around 500 people directly and another 500 people indirectly. Hence, the livelihood of about 1000 families will be affected.
- As things dragged on for 6 years, the company opted for One time settlement (OTS) as per bank scheme and completed it in 2018-19 by proceeds of sale of land.
- Compared to 2012 when the land prices were higher at the time company requested the bank to permit excess land sale, the asset value was more than 6 times the principal of the term loan. The land prices came down drastically in the past few years for reasons known and the company had to sell almost double the land to clear all payments. Thus, the bank delays for 6 years on land sale permission resulted in increased liabilities and reduced sale proceeds of around Rs 20 crores plus, apart from business losses.

This is typical of problems of MSMEs with sound business potential while the banks concentrated on their balance sheet issues clean up in the past few years.

Violation of judicial orders of BIFR by Gas Authority of India Limited (GAIL) :

Gail dishonoured the judicial orders dated 6th Oct 2008 of BIFR and their violation led to severe cash crunch since then. GAIL resorted to innumerable delay tactics & litigations at multiple judicial forums like BIFR, AAIFR, High Court, NCLT etc and used its monopolistic position as the sole supplier of natural gas in that region and exploited the vulnerability of the company by forcing the renewal of supply agreements under threat of cutting off supplies. As per BIFR order, the amount payable by GAIL is around Rs 30 crores as of June 2019. The company made necessary claims in this regard and taking the legal steps to recover the amount. The summary is as below :

During the year 1999, Neycer got allotment of Natural Gas from GAIL from its well at Bhuvanagiri. The company was initially allotted 8000 SCM gas initially and additional 4500 SCM was allotted later totalling to 12,500 SCM for which agreement has been entered into with GAIL. Neycer is the only customer of GAIL for the past 15 years for the Bhuvanagiri gas wells in Tamil nadu. Based on assurances of uninterrupted supply of Natural Gas the company changed its existing kiln burners from LDO to suit gas at a huge cost. It later added another kiln with full gas burners.

GAIL laid their pipelines from its wells to Neycer's plant at Vadalur. The entire cost of laying pipelines was recovered as transportation charges from Neycer. Neycer is a sick company referred to BIFR and based on the rehabilitation scheme for Neycer from the operating

agency Bank of India, BIFR ordered GAIL to refund the excess transportation charges and also to stop charging further transportation charges. The relevant portion of the BIFR order of October 2008 relating to GAIL is as follows.

- To refund excess amount of fixed transportation charges recovered from the Company towards the cost of laying pipelines.
- To waive future fixed transportation charges on account of cost of laying the pipelines, especially as it is reported to have already recovered.
- To allocate additional natural gas of 35000 scm per day for the proposed expanded activities.”

The supplies from GAIL were erratic, at pressures as low as 10% of committed pressures in specifications and was insufficient to take care of the needs of Neycer. There were many stoppages without notice and all of above damaged the kilns at Neycer resulting in major production losses and assets damage. While not able to supply to Neycer, GAIL also allotted gas to one Saravana Insulators a neighboring company through the pipelines laid for Neycer from another well BVG 10. This affected Neycer supplies further and company was forced to shut down the kilns often that resulted in low and poor quality & loss of production resulting in losses of crores of production and machinery damage.

Further, GAIL, contrary to the above order of BIFR, has till date, not refunded the charges that have been levied in excess by them, and also they are still continuing to levy transportation charges which is in contravention to the provisions of the judicial orders of BIFR.

GAIL, has challenged the orders of the BIFR dated 06.10.2008, which interalia envisaging various reliefs from GAIL, was sanctioned, in an appeal before the Hon'ble AAIFR. The Hon'ble AAIFR vide its order dated 28.06.2011, dismissed the said appeal.

GAIL moved a writ petition before the Hon'ble High Court of Delhi. The Hon'ble High Court did not support GAIL and vide its order dated 07.12.2011 referred the matter back to BIFR limited only to the issues specified in order dt 02.11.2011 to quantify the alleged excess amount collected which is to be quantified and refunded as in clause 10(L) of the scheme and held that the rest of the scheme continues.

GAIL has taken a stand that they are collecting transportation charges only for maintaining the pipelines. But this is contrary to the facts that pipeline maintenance does not cost almost 40-50% of pipeline cost. As per estimates done by an official valuer used by banks & High Courts, the cost of Laying Pipelines can be maximum Rs.300 lakhs and the transportation charges paid till June 2018 is Rs.1717 lakhs and the amount to be refunded is Rs.1417 lakhs on this. Gail is also charging transportation charges @ Rs.13 lakhs per month, even for ZERO supply, which also has to be refunded to the company.

The company filed a Miscellaneous Petition before BIFR for stopping GAIL from recovering further transportation charges in violation of BIFR's original orders and to provide details of actual quantified details from GAIL as ordered by Delhi High Court and refund the excess transportation charges received by them. GAIL delayed for years with litigations and vague replies and avoided giving the details sought as per orders of Delhi High court. The MA filed by the company could not be heard and consequent to the repeal of SICA 2016 and winding up of BIFR shifted the matter to NCLT.

Hence the company filed an application under Rule 11 of the NCLT Rules, 2016 before NCLT, Chennai. The application was heard on various dates and GAIL was directed to supply the following information along with relevant documents. GAIL has been avoiding giving information to the NCLT and has been filing some application or other. After wasting so many years with litigations to avoid giving this information, GAIL finally replied at NCLT in late 2018 that the original cost of laying the pipelines by GAIL was Rs 304.54 lakhs. GAIL tried to mislead the NCLT by combining the original cost of RS 304.54 lakhs with recent new pipeline done by them and mentioned the cost of pipeline at Rs.1448.62 lakhs. However, the BIFR order of 2008 refers to cost of pipeline originally done and not the costs to be incurred again by them in future in 2015-16. It is also admitted by GAIL that they have collected from company alone is Rs.1717.41 crores much higher than the cost of Rs 304.54 crores incurred by GAIL.

Based on GAIL's own affidavit dt. 27/11/2018 filed with NCLT, GAIL is to refund the following amount to the company:

Rs.(1717.41--3.04)crores = Rs 1412.83 crores +interest from 2008 till 31.06.2019. In addition,

- a. Despite judicial order of BIFR as per clause 10 (L) GAIL continues to violate the BIFR orders and hence is in contempt of court. There was no stay on the order obtained by GAIL.
- b. Financial damages on account of GAIL's violation of judicial orders, non-supply and erratic supplies etc. resulted in a loss of more than Rs 50 crores in the past ten years.

In view of the NCLAT order dt 29/1/2019 which called the Removal Of Difficulties order of the Govt as invalid, there is no legal forum that is specified to give a remedy to the situation. In view of this, since the quantified amount is given by GAIL itself in it's affidavit to NCLT, the company has been advised to file a writ at the High court for implementation of the BIFR order & steps are being taken now.

GAIL has been now writing to the company that it will supply only 1250 cu mtrs/day of gas which is hardly 10% of the original allocation committed and also raising each month transportation charges of Rs 13 lakhs Per month for ZERO supplies. Thus, the transportation charges from GAIL alone come to 150% of the gas price at offered quantity which is unheard of and the highest in the world. Thus, GAIL is using its monopolistic position to exploit a sick company and ruined its revival and forced the company to close operations with its approach. A similar case was held against GAIL in CCI. GAIL is responsible for closure of the company and is liable to pay damages apart from the original amounts with interest payable as per judicial orders of BIFR. Apart from destroying a sick company's revival and forcing closure, GAIL's actions also resulted in Govt losing more than Rs 100 crores of GST & other taxes so far and more than 1000 jobs lost causing misery to the worker families. Such a blatant violation of judicial orders is not heard of from any PSU in India.

As per the judicial orders of BIFR in their order dated 6.10.2008 GAIL is liable to pay the amounts of more than Rs30 crores to Neycer as of 30.06.2019.

The company also cleared many statutory over dues from the proceeds of sale of land. Unfortunately, company had to deal with multiple departments of the Govt, where actions of one arm of Govt prevented the company from complying with law or payment of the other, resulting in huge interest, penalties and coercive steps and harassment from the Govt. In addition, your company faced a number of other financial and other damages due to factors that cannot be put in writing. A coordinated action of all Govt departments would have helped the Government also to have gained more revenue from the company by allowing operations. Unfortunately, such an environment does not exist in India yet and thus, for a company in such a financial crunch created by many external factors as above, it was impossible to operate as the entire funds and time of limited executives was used in fighting for survival of the company. Since the Government speaks of ease of doing business now, your Directors hope that future steps of the Government in this direction will really allow MSMEs like your company to grow again.

Thus, the company spent most of the year on clearing past problems and could concentrate, with limited executives only on project sales by outsourcing for most of the year after stoppage of operations due to funds crunch. Having settled major hurdles of the past 10 years like the bank and many statutory dues issues during the year, the company started adding sales team to reactivate sales to dealers and also made plans for restart of the plant. New senior management is being recruited. The required plant repairs and corrections are planned to be completed in the next few months and plant operations will commence within this financial year 2019-20. Hence, the accounts are prepared on a going concern basis.

The detailed documents relating to some of the above are placed on the company website at link <https://www.neycer.in/> for perusal by the shareholders to get a correct perspective on the subjects.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2019 was Rs.10,16,69,160. No additions and alterations to the capital were made during the financial year 2018-19. Out of the above 13,30,000 shares are yet to be listed.

DIVIDEND

Considering the huge accumulated losses in the past, your Board of Directors could not recommend any dividend to the shareholders for the financial year ended 31.03.2019.

TRANSFER OF PROFIT TO RESERVES

The company has not proposed to transfer any of its profits to reserves in view of the Carried forward losses.

MATERIAL CHANGE AND COMMITMENTS OF THE COMPANY

There were no material changes and commitments affecting the financial position of the company which have occurred between the end of the Financial year to which the Financial statement relate and the date of report, and there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

PARTICULARS OF LOANS, GUARNATEES OR INVESTMENTS

There has been no loan, guarantees and investment given or made by the company under Section 186 of the Act during the financial year 2018-19.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The company does not have any subsidiaries associates and joint venture companies.

BOARD MEETINGS

The Meetings of the Board were held periodically and 120 days has not lapsed between two meetings as prescribed under section 173(1) of the Companies Act, 2013. The details of attendance of the meetings are given in the Corporate Governance report.

AUDIT COMMITTEE

The Board of the Company had constituted the Audit Committee under the provisions of the Companies Act 2013 and SEBI (LODR) Regulations and the details of the composition of the Audit Committee is furnished in the Corporate Governance Report.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The company has in place the Whistle Blower Policy. The said policy is in compliance with the provisions of the Companies Act 2013 and the Listing Regulations. The quarterly reviews are submitted before the Audit Committee.

AUDITORS

Statutory Auditors

M/s. SNS ASSOCIATES, Chartered Accountants, (Firm Registration No.006297S) have been appointed as statutory auditors of the company for a period of 5 (five) Consecutive years at the Annual General Meeting held on 26th September 2017. Due to the amendment of section 139 of the Companies Act, 2013, ratification of the Auditor's appointment is not required any longer. His term shall expire on 31.03.2022

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act 2013 and the Copies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board has appointed Secretarial Auditors to conduct secretarial audit for the financial year 2018-19.

The Secretarial Audit Report as received from the secretarial auditor is annexed to this report as **Annexure II**.

COMMENT ON SECRETARIAL AUDITOR REPORT

With reference to the remarks made by the secretarial auditor, in the Secretarial Audit Report, the company has taken the corrective measures during the current financial year.

INTERNAL AUDITORS

As per the provisions of the Companies Act, 2013 the company has M/s. R.Sundaraman & Co., as an Internal Auditor for the company for the financial year 2018-19.

The Company proposes to continue their services and appoint M/s. R. Sundaraman & Co., as an Internal Auditor for the financial year 2019-20, to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

PARTICULARS ON REMUNERATION

No employee of the company was in receipt of the remuneration as specified in Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Amendment Rules 2016 under Section 197(12) of the Companies Act 2013 and further in terms of the said rules no employee of the company holds by himself or along with his/her spouse and dependent children more than two percent of the equity shares of the company.

INTERNAL CONTROL AND ITS ADEQUACY

The internal auditors of the company regularly conduct audit and submit their quarterly reports, which are reviewed by the Audit Committee. The company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. During the year such controls were tested and no reportable material weaknesses in the design or operation were observed.

HUMAN RESOURCES

The Management envisions trained and motivated employees as the backbone of the Company Special attention is given to recruit trained and experienced personnel not only in the production department but also in marketing finance and accounts. The Management strives to retain and improve employee's morale. The company is in the process of revamping the employer employee engagement program.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE, EARNINGS AND OUTGO

The particulars as prescribed under Rule 8(3) of the Companies (Account) Rules.2014 are as follows:

A. Conservation of Energy

At present there is no manufacturing activity in the company. Hence the scope for conservation of energy is very limited. Hence reporting this clause is not applicable.

Details of Consumption of electricity

	2018-19	2017-18
Units (KWH)	3,95,422	11,88,810
Cost (Rs.)	58,74,637	14,97,658
Rate per unit (Rs.)	14.86	9.67

B. Technology Absorption:

Your company is planning to adopt improved technology for better quality improvement, energy saving, materials consumption and reduction of wastages.

C. Foreign Exchange earnings and outgo:

	2018-19	2017-18
Earnings in Foreign Exchange	NIL	NIL
Expenditure in Foreign currency	NIL	NIL

Since the company has not carried on any export during the financial year under review, the disclosures requirement relating to exports, initiatives taken to increase exports; development of new export markets for products and services and export plans doesn't arise.

RELATED PARTY TRANSACTIONS

During the year 2018-19 the company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material as per sub-section (1) of Section 188 of the Companies Act 2013. Hence the question of reporting under this requirement of said section does not arise.

EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) Section 134 and sub section 3 of section 92 of the Companies Act 2013 read with Rule 12 of the Companies (Management and Administration) Rules 2013 the extract of the Annual Return as at March 31, 2019 in Form MGT-9 forms part of this report as **ANNEXURE I**.

RISK MANAGEMENT POLICY

The risk management is overseen by the Audit committee of the company on a continuous basis, therefore constituting a Risk Management Committee does not arise. Major risks, if any, identified by the business and functions are systematically addressed through mitigating action on a continuous basis. The Risk Management policy is available in the company website www.neycer.in.

DISCLOSURE AS PER PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has constituted a separate committee under the Sexual Harassment of women at Workplace (Prevention, prohibition and Redressal) Act 2013. The following are the details of the committee:

Sexual Harassment Committee:

Y. Mohan prasad

Mr. Ganpathy Krishnamoorthy

Mr. Bachiamme

Mrs. Jayalakshmi

The company has zero tolerance for sexual harassment at work place. During the financial year 2018-19 the members met on 30th March 2019 for review and no complaints were received.

The policy is available in the company website www.neycer.in.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the company's progress and future outlook is separately discussed in the Management Discussion and Analysis Report, is appended to and forms part of the annual Report.

DEPOSITS FROM PUBLIC

The company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on date of the Balance sheet.

CORPORATE GOVERNANCE REPORT

The company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements, set out by SEBI. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

In terms of Regulation 34(3) and 53(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 the Corporate Governance Report, the Management Discussion & Analysis Statement and the Auditor's certificate regarding compliance of conditions of Corporate Governance are part of this Annual Report as **Annexure III**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors comprises of the One Whole-time Director and Three Independent / Non - Executive Directors out of which one is woman Director.

Retirement by Rotation: Mr. Y Mohan Prasad, shall retire by rotation at the forthcoming AGM and is eligible for re-appointment and he offers himself for re-appointment. Brief profile is mentioned in the Notice of forthcoming Annual General Meeting of the company.

Pursuant to the provisions of Section 203 of the Companies Act 2013, the following are the Key Managerial Personnel:

Mr. G R Ananthkrishnan - Chief Financial Officer

Mr. G Raghavan- Company Secretary

POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act are covered in Corporate Governance Report which forms part of this Report. Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return as provided under Section 92(3) of the Act, is enclosed at Annexure I in the prescribed form MGT-9 and forms part of this Report.

DECLARATION BY INDEPENDENT DIRECTORS:

All independent Directors have been declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act 2013 which has been relied on by the Company and placed at the Board Meeting of the Company.

PERFORMANCE EVALUATION OF BOARD, COMMITTEE AND DIRECTORS

Pursuant to the provisions of the Companies Act 2013 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit and Nomination & Remuneration Committees and the same as based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

A structured questionnaire was prepared after taking into a consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per the Companies Act, 2013 companies having a net worth of Rs.500 Crores or more, or a turnover of Rs.1,000 Crores or more or a net profit of Rs.5 Crores or more during any financial year are required to constitute a CSR Committee.

Your company is not having the above said net profits, net worth or turnover and therefore constituting of a CSR committee in accordance with the provisions of section 135 of the Act does not arise.

MATERIAL ORDERS PASSED BY THE REGULATORS, COURT, TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your company except Adjudication order passed by SEBI by imposing penalties. Your company had appealed against the order of SEBI and order has been passed in this regard, reducing the penalty amount.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in the Section 134 (3) (c) of the Companies Act, 2013, the Board to the best of its knowledge and belief and according to the information and explanation obtained by it confirm that:

- a) In the preparation of the Annual Accounts, the applicable Accounting standards had been followed and there were no material departures there from;
- 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 12 months period ended on 31st March, 2019 and of the profit 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) They have laid down internal financial controls, which are adequate and are operating effectively;
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

The Directors thank the various Departments of the Central and State Governments, the Bankers of the 'Company for the support and cooperation extended throughout the year.

For and on behalf of the Board of Directors,

Director

Date: 14.08.2019

Place: Chennai.

d)Bodies Corporate	800000	6552960	7352960	72.43	800000	6552960	7352960	72.43	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A)	800000	6552960	7352960	72.43	800000	6552960	7352960	72.43	Nil
(1):-									
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e)Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	800000	6552960	7352960	72.43	800000	6552960	7352960	72.43	Nil
B. Public Shareholding	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
1. Institutions									
a) Mutual Funds									
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	123735	5434	129169	1.27	123735	5434	129169	1.27	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture	Nil	Nil	2464284	7.33	Nil	2464284	2464284	7.33	Nil
					Nil				Nil
Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	nil	Nil	Nil
i) Others (specify)									
Sub-total (B)(1):-	123735	5434	129169	8.60	123735	5434	129169	8.60	Nil
									Nil
2. Non- Institutions									
a)Bodies Corp.									
i) Indian	Nil	2578641	2578641	25.40	Nil	2578641	2578641	25.40	Nil

b) Individuals										
i) Individual shareholders holding nominal share capital in excess of Rs1 lakh	Nil	36605	36605	0.36	0	36605	36605	0.36	Nil	
ii) Individual shareholders holding nominal share capital upto Rs. 1 lakh	50	54491	54541	0.54	50	54491	54541	0.54	Nil	
c)* Others (specify) (C-i) Clearing member (C-ii) Trust (C-iii) Foreign Nationals (C-iv) HUF (C-v) Non- Resident Indians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Sub-total (B)(2):-	50	266978	266978	26.30	50	266978	266978	26.30	Nil	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	123785	2675171	2798956	27.57	123785	2675171	2798956	27.57	Nil	
C. Shares held by Custodian for GDRs&ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Grand Total (A+B+C)	923785	9228131	10151916	100	923785	9228131	10151916	100.0		

V. Shareholding of promoters:

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	At the beginning of the year	7352960	72.43	7352960	72.43
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
3	At the end of the year	7352960	72.43	7352960	72.43

Note : No Change in Promoters' Shareholding

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of Total shares of the company	No of Shares	% of Total shares of the company
1	CDS Projects Ltd	1330000	13.10	1330000	13.10
2	Sparta Holding Limited	1200000	11.82	1200000	11.82
3	LIC	113735	1.12	113735	1.12
4	Nidhya Rajeswari Guhan	19865	0.20	19865	0.20
5	Viswanathan R	16740	0.16	16740	0.16
6	The Oriental Insurance Company	10000	0.1	10000	0.1
7	Seetha Subramanian	8580	0.08	8580	0.08
8	The United India Insurance Company	5434	0.05	5434	0.05
9	Purnima Gupta	2100	0.02	2100	0.02
10	R Rajagopala Thondaiman	2000	0.02	2000	0.02

i. Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of Total shares of the company	No of Shares	% of Total shares of the company
1	Y MOHAN PRASAD	2	0	2	0
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the end of the year (or on the date of separation, if separated during the year)	2	0	2	0

ii. INDEBTEDNESS:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	48294542	0	0	48294542
ii. Interest due but not paid	Nil	Nil	Nil	Nil
iii. Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	48294542	0	0	48294542

Change in Indebtedness during the financial year	-143793	0	0	-143793
Addition				
Reduction				
Net Change	-143793	0	0	-143793
Indebtedness at the end of the financial year				
i. Principal Amount	48150749	0	0	48150749
ii. Interest due but not paid	0	0	0	0
iii. interest accrued but not due	0	0	0	0
Total (i+ii+iii)	49345018	0	0	49345018

I. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Remuneration to other directors: NIL

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

II. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Date:

14.08.2019

Place: Chennai

Director

Annexure – 2
SECRETARIAL AUDIT REPORT

Secretarial Audit Report for the financial year ended 31.03.2019
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Neycer India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Neycer 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, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have also examined the following with respect to the new amendment issued vide SEBI Circular number CIR/CFD/CMD1/27/2019 dated 8th February 2019 (Regulation 24A of SEBI(LODR)).

- (a) all the documents and records made available to us and explanation provided by the Company,
- (b) the filings/submissions made by the Listed Entity to the Stock Exchanges,
- (c) website of the listed entity,
- (d) books, papers, minute books, forms and returns filed with the Ministry of Corporate Affairs and other records maintained by Neycer India Limited ("the Company") for the financial year ended on 31st March, 2019 according to the provisions as applicable to the Company during the period of audit and subject to the reporting made hereinafter and in respect of all statutory provisions listed hereunder:
 - i. The Companies Act, 2013 (the Act) and the Rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

We hereby report that

- a. The Listed Entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder. Except mentioned in this report.
- b. The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.
- c. There were no actions taken against the listed entity/its promoters/directors either by SEBI or by Stock Exchanges (including under the Standard Operation Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder. Except as mentioned in this report.

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

- (i) The Listing Agreements entered into by the Company with the Stock Exchanges, where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (ii) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (iii) In our opinion the following acts are specifically applicable to the Company
 - Environment Protection Act, 1986
 - The Hazardous wastes (Management, Handling and Trans Boundary Movement) Rules, 2008
 - The water (prevention and control of pollution) Act, 1974 and rules made thereunder
 - The Air (prevention and control of pollution) Act, 1981
 - The legal metrology Act, 2009
 - Customs Act, 1962

- The Industrial Employment (Standing Orders) Act, 1946
It is reported that during the period under review, the Company has been regular in complying with the provisions of the Act, Rules, Regulations and Guidelines, as mentioned above except
- Delay in filing all e-Forms with the MCA
- The Company is yet to update its website
- Strict compliance with SEBI (LODR) Regulations, 2015
- The Company is yet to redeem the 9.5% Cumulative Redeemable Preference Shares of Rs.10 each aggregating to Rs.1,50,000 which had fallen due for redemption on 15.06.1993 and has not extended the redemption period even after completion of the prescribed period of 20 years.

We further report that there were no actions/events in the pursuance of

1. The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 and the Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
2. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
3. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; requiring compliance thereof by the Company during the Financial Year under review.

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, adequate systems and control mechanism exist in the Company to monitor and ensure compliance with other general laws.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by Statutory financial auditor and other designated professionals.

We further report that

The company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors during the period under review and were carried in compliance with the provision of the Act.

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered 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 decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the audit period the following events have occurred, which have a major bearing on the Company's affairs;

1. The Company has not dematerialized the fresh issue of preferential issue during 2013 and yet is to obtain trading approval and hence the Company is categorized as a suspended Company due to non-payment of listing fee and pending compliances and formalities with NSDL.
2. The Company had filed application before NCLT in continuation to the non-completion of certain formalities against Bank of India (Operating Agency), the disposal of which is pending.
3. The Company during the year has received a notice for compulsory delisting from BSE against which the Company is taking required actions.
4. The 9.5% Cumulative Redeemable Preference Shares of Rs.10 each aggregating to Rs.1,50,000 which had fallen due for redemption on 15.06.1993 are yet to be redeemed.
5. The Company being a suspended Company, is in the process of obtaining trading approval.

Place: Chennai

Date: 14/08/2019

For **LAKSHMMI SUBRAMANIAN & ASSOCIATES**

Sd/-

P S Srinivasan

Associate Partner

FCS No. 1090 C.P.No. 3122

ANNEXURE – A

To,
The
Neycer India Limited

Members

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 the random 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random 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.

Place: Chennai

Date: 14/08/2019

For **LAKSHMMI SUBRAMANIAN & ASSOCIATES**

Sd/-
P S Srinivasan

Associate Partner

FCS No. 1090 C.P.No. 3122

Annexure – 3

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

Neycer India Limited believes in continuous good corporate governance and always strives to achieve performance at all levels by adhering to corporate governance practice, such as –

- Fair and transparent business practice
- Effective Management Control by the Board
- Adequate representation of promoter, executive and independent directors
- Legal and Statutory compliances in its true spirit
- Promote ethical and responsible decision making

2. Board of Directors:

The composition of Board of Directors of the Company is in conformity with Regulation 17 of the SEBI Listing Regulations and section 149 of the Companies Act 2013. The Board of Directors comprises of one Whole-time Director and Three Independent / Non - Executive Directors out of which one is a Woman Director. To be in line with the company's philosophy on Corporate Governance, all statutory subjects are placed before the Board to discharge its responsibilities as trustees of the shareholders.

S.no	Name of the Director	Category	Number of Directorships held in other Indian companies	Number of Board / Committee memberships held in other companies	No. of Shares held in the Company
1.	Mr. Y.Mohan Prasad	Whole-time Director	3	Nil	2
2.	Mr.Ganapathy Krishnamoorthy	Non – Executive / Independent Director	0	Nil	0
3.	Mr. Bachiamie	Non – Executive / Independent Director	0	Nil	0
4.	Mrs. Jayalakshmi	Non – Executive / Independent Director	0	Nil	0

3. BOARD MEETINGS, ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST AGM:-

During the year under review 4 (Four) Board Meetings were held and the gap between two Board meetings did not exceed 120 days.

DATE OF BOARD MEETINGS:

During the financial year 2018-2019 4 (Four) Board meetings and one Annual General Meeting were held on the following dates: 29.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019

AGM was held on 28th September 2018.

THE ATTENDANCE OF THE DIRECTORS AT THE BOARD MEETING/ AGM HELD DURING THE YEAR ARE GIVEN BELOW:

Name	Category	No. of Board Meetings held during the tenure of the Director	No. of Board Meetings Attended	Last AGM attendance (Yes/No)
Mr. Y.Mohan Prasad	Whole-time Director	4	4	Yes
Mr.Ganapathy Krishnamoorthy	Non – Executive / Independent Director	4	4	Yes
Mr. Bachiamie	Non – Executive / Independent Director	4	4	Yes
Mrs. Jayalakshmi	Non – Executive / Independent Director	4	4	Yes

4. BOARD COMMITTEES:**A. AUDIT COMMITTEE:**

The primary object of the Audit Committee of the Company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

Composition:

1. Mr.G.Krishnamoorthy - Chairman
2. Mr.Bachiame
3. Mr.Y.Mohan Prasad

Chairman is a non-executive independent Director

The Audit Committee reviewed the quarterly, half-yearly and annual financial statements of the Company before submission to the Board of Directors. The Committee also reviewed Internal Audit Reports, related party transactions, etc., from time to time. It has also taken on record the appointment of Statutory Auditors, Internal Auditors and Cost Auditors and recommended to the Board the remuneration payable to them.

The role of Audit Committee and terms of reference specified by the Board to the Audit Committee are the following:

- Review of the Company's financial reporting process, the financial statements and financial / risk management policies.
- Review Quarterly, Half-yearly and Annual Financial Accounts of the Company and discuss with Auditors.
- To meet and review with External and Internal Auditors the Internal Control Systems and to ensure their compliance.
- To review matters as required under the terms of Listing Agreement.
- To investigate matters referred to it by the Board.

Meeting and attendance of the Committee:

During the year ended on 31.03.2019, 4 meetings of the Audit Committee were held on 29.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019, The Chairman of the Audit Committee has the accounting or related financial management expertise.

Director	No. of Meetings held	No. of Meetings attended
G Krishnamoorthy	4	4
Bachiame	4	4
Y Mohan Prasad	4	4

B. STAKEHOLDER RELATIONSHIP COMMITTEE MEETING:

The Stakeholders Relationship Committee is functioning to look into redressal of investor/ shareholders complaints expeditiously. The stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders/ investors/ security holder's complaints. The committee also monitors the implementation and compliance with the company's code of conduct for prohibition of Insider Trading.

Composition:

1. Mr. Ganapathy Krishnamoorthy
2. Mr.Bachiame
3. Mr.Y.Mohan Prasad

The chairman of the committee is a non-executive independent Director

Mr. G Raghavan, Company Secretary is the compliance officer of the Company

Meeting and attendance of the Committee:

During the year ended on 31.03.2019 meeting of the stakeholder relationship Committee was held on 29.05.2018.

Director	No. of Meetings held	No. of Meetings attended
G Krishnamoorthy	1	1
Bachiame	1	1
Y Mohan Prasad	1	1

C. NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted a Nomination and Recruitment Committee with the directors to look after the appointment, promotions and payment of remuneration to the working directors and executives of the company.

Composition:

1. Mr. Ganapathy Krishnamoorthy
2. Mr. Bachiamme
3. Mrs. Jayalakshmi

Meeting and attendance of the Committee:

During the year ended on 31.03.2019 meeting of the Nomination and remuneration Committee was held on 29.05.2018.

Director	No. of Meetings held	No. of Meetings attended
G Krishnamoorthy	1	1
Bachiamme	1	1
Jayalakshmi	1	1

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per the Companies Act, 2013 companies having a net worth of Rs.500 Crores or more, or a turnover of Rs.1,000 Crores or more or a net profit of Rs.5 Crores or more during any financial year are required to constitute a CSR Committee.

Your company is not having the above said net profits, net worth or turnover and therefore constituting of a CSR committee in accordance with the provisions of section 135 of the Act does not arise.

EVALUATION OF DIRECTORS BY INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 30th March 2019, inter alia to:

Review the performance of non-independent directors and the Board as a whole.

Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.

Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

EVALUATION OF INDEPENDENT DIRECTORS BY DIRECTORS' MEETING

During the year under review, the Directors (other than Independent Directors) met on 30th March 2019, inter alia to:

Review the performance of the independent directors of the company, taking into account the views of executive directors and non-executive directors.

Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

PREVENTION OF INSIDER TRADING:

The Company has adopted a code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

SEBI (PIT) Regulations are applicable to all listed companies and it mandates every listed company to formulate a code of conduct to regulate, monitor and report trading by its employees and other "connected persons" (as defined under the regulations) towards achieving compliance with these regulations and enforce a code of internal conduct based on the model code provided therein.

DISCLOSURES:

The Company has always ensured fair code of conduct and maintained transparency.

Compliances, rules & regulations as laid down by various statutory authorities has always been observed by the company both in letter as well as in spirit.

The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large

COMPLIANCE WITH ACCOUNTING STANDARDS:

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

The company as per the provisions of the SEBI (LODR) Regulations, 2015 have adopted the Indian Accounting Standards.

COMMUNICATION

The annual, half yearly and quarterly results are forthwith being submitted to the stock exchange where share are listed and are available on their website.

Management discussion and analysis forms a part of this report.

CODE OF CONDUCT

The board of Neycer India Limited has laid down a code of conduct for all the board members and the senior management. All the board members and the senior management personnel have affirmed compliance of the code. A declaration of WTD/Chairman of the Company is attached.

4. GENERAL BODY MEETINGS:

AGM	Date	Time	Venue	No. of Special Resolutions Passed
2016	30.09.2016	9.00 am	No.145, St.Mary's Road, Alwarpet, Chennai – 600 018.	NIL
2017	26.09.2017	10.00 am	No.145, St.Mary's Road, Alwarpet, Chennai – 600 018.	1
2018	28.09.2018	10.00 am	No.145, St.Mary's Road, Alwarpet, Chennai – 600 018.	2

5. POSTAL BALLOT

During the Financial year, there were no ordinary or special resolutions passed by the Members through Postal Ballot.

6. EXTRA ORDINARY GENERAL MEETING DURING THE LAST THREE YEARS

No Extra Ordinary General Meeting was held during last three financial years.

7. LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed on the Bombay stock exchange. However, the Company is suspended due to penal reasons.

8. REGISTRAR AND TRANSFER AGENTS :

M/s. Cameo Corporate Services Ltd.,
 "Subramanian Building", 1, Club house road,
 Chennai – 600002.
 Phone: 044 28460390.

9. ADDRESS FOR COMMUNICATION:

No. 145, St. Mary's Road,
 Alwarpet,
 Chennai – 600 018.

Phone: 044-45088111

E-mail id: investor@neycer.in

Website:

www.neycer.in

10. SHARE TRANSFER SYSTEM:**Distribution of Shareholding as on March 31, 2019.**

Slab of Shareholding	Shareholders	%	Shares (inRs.)	%
1 – 5000	648	96	358710	0.3533
5001– 10000	8	1.1851	56060	0.0552
10001– 20000	2	0.02962	33740	0.0332
20001– 30000	1	0.1481	21000	0.0206
30001– 40000	0	0	0	0
40001– 50000	0	0	0	0
50001–100000	5	0.7407	379270	0.3735
100001&above	11	1.6296	100670380	99.1639
TOTAL	675	100	10151916	100

Distribution of shareholding pattern according to categories of shareholders as on March 31, 2019

	Category	No. of shares Held	% of share holding
A	PROMOTER HOLDING		
1	Promoters Indian Promoters Foreign Promoters	7352960 0	72.43 0
2	Persons acting in concert	Nil	Nil
	Sub Total	7352960	72.43
B	NON-PROMOTERS HOLDING		
3	Institutional investors Mutual funds an UTI Banks, financial institutions Insurance companies (Central/ state Government. Institutions/ Non Government. institutions)	129169	1.27
	C FIIs	Nil	Nil
5	Sub Total	129169	1.27

Details of demat shares

The detail of shares dematerialised cannot be furnished due to pendency of listing approval from the Bombay Stock Exchange.

11. INVESTOR GRIEVANCE REDRESSAL CELL

Investor Relations e-mail ID: investor@neycer.in

Contact No: 044-45088111

For Neycer India Limited

Date: 14.08.2019

Place: Chennai

Director

CEO/CFO CERTIFICATION

To,
The Board of Directors,
Neycer India Ltd.,
Chennai.

I, G R Ananthkrishnan, Chief Financial Officer of Neycer India Ltd. to the best of my knowledge and belief hereby certify that:

1. I have reviewed the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's Report and that to the best of our knowledge and belief.
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2019 are fraudulent, illegal or violative of the Company's code of conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting, I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, those deficiencies in the design or operation of such internal controls of which I am aware and the steps we have taken or purpose to take to rectify these deficiencies.
4. I have indicated to the Auditors and the Audit Committee:
 - there have been no significant changes in internal control over financial reporting during the year covered by this report.
 - there have been no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
 - instances of significant fraud in the subsidiary company, of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Neycer India Ltd
G R Ananthkrishnan
Chief financial officer

**Independent Auditors' Report
To the Members of Neycer India Limited
Report on the standalone Financial Statements**

Opinion

We have audited the standalone financial statements of Neycer India Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	Response to Key Audit Matters and Conclusion
<p>Going Concern Though the operations were stopped during the year for want of funds, the Company has prepared the accounts on the basis of a going concern. Refer Note 33 of the Notes forming part of the Financial Statements.</p>	<ul style="list-style-type: none"> • We have verified the fact of closure of the loan exposure and the settlement of the statutory dues. • We have tested the management's assumptions in regard to the steps being taken for restarting the operations. • Though in our view, there any exist uncertainty in respect of the management's assumptions in the matter, in our view the adoption of a going concern basis for the preparation may not be considered to be inappropriate and hence our opinion is not modified in respect of this issue.
<p>As at 31st March 2019, the Company carried Inventories to the extent of Rs.5,76,72,737 /- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • We have verified and tested the design and the operating effectiveness of the controls with respect to the maintenance of inventories, like the issue of materials, determination of the quantum of stocks at the end of the year. • We have verified and tested the preparation of the cost sheet for the valuation of inventories of finished goods and work in progress and the determination of the value of stores and spares. • We have also tested the judgment and procedure adopted by the Company for the determination of obsolete and non-saleable stocks and determination of the realizable value of the inventories. • Based on the above procedures, the determination of the value of inventories by the Management at the end of the year is considered reasonable.
<p>Evaluation of demands raised by Commercial Tax Department and Employees State Insurance and Provident Fund authorities The Company is facing a number of demands under the Indirect Taxes Acts and ESI and PF Act. Please refer to Note No.27(d) to 27(i) of the Notes forming part of the Financial Statements</p>	<p>Our audit procedure included the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the key issues involved and the potential exposures under the relevant Statutes. • We read and analysed select correspondences and consultations carried out by the management with external

	<p>experts.</p> <ul style="list-style-type: none"> • Discussed with appropriate senior management and evaluated the management's underlying assumptions and the grounds of appeal and other relevant documents. • Understanding of the issues involved with reference to currently available precedents in the matter. • Based on the procedure outlined above, we agree with the management's view in regard to the probable outcome of the cases stated in the relevant notes to the Financial Statements.
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Responsibilities of the Management and Those Charged with Governance for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain and audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
3. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
4. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS Financial Statements. Please refer Note No.27(d) to 27(j)
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Chennai

Dated: 30th May 2019

Annexure A to the Independent Auditors' Report**To the Members of Neycer India Limited**

- i) (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 during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of the verification is reasonable having regard to the size of the Company and the nature of its assets.
 (c) The title deeds of immovable properties are held in the name of the Company.
- ii) The Management has conducted physical verification of inventories at reasonable intervals and no material discrepancies were noticed on such verification.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) 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, with respect to investments made by it.
- v) The Company has not accepted deposits from the public.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for any of the activities of the Company.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees state insurance, excise, income tax, sales tax, value added tax, duty of customs, service tax, cess and other statutory dues have been deposited belatedly during the year by the Company with appropriate authorities. According to the information and explanations given to us, the following undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, value added tax, duty of customs, excise, service tax, cess and other statutory dues which were in arrears as on 31st March 2019 for a period of more than six months from the date they became payable:

Details	Amount (Rs.)
Excise Duty	90,45,685
GST	1,30,15,371

- (b) There are no dues of income tax, sales tax, value added tax, duty of customs, excise, service tax, cess or other statutory dues that have not been deposited on account of any dispute, except the following:

Name of Statute	Nature of Dues	Amount Disputed	Amount Paid	Forum where the dispute is pending
Tamil Nadu General Sales tax Act	Sales tax	93,20,618	NIL	Deputy Commercial tax Officer
Tamil Nadu General Sales tax Act	Sales tax	3,44,15,091	NIL	Appellate Assistant Commissioner (CT)
CST Act	CST	50,56,861	NIL	Appellate Asst. Commissioner (CT)
TN VAT Act	VAT	57,93,862	NIL	Hon'ble High Court of Madras
ESI Act	ESI	6,47,330	1,61,890	ESI Labour Court
PF Act	PF	47,22,090	NIL	Employees PF Appellate Tribunal, Delhi

- viii) The Company has defaulted in the repayment of dues to banks, financial institutions or debenture holders. However, the default has been made good by making a one time settlement with the Banks and other lenders.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). As per the records of the Company, the term loans availed during the year were applied for the purposes for which those are raised.
- x) As per the records of the Company and according to the information and explanations given to us, no frauds by the Company or on the company by its officers or employees have been noticed or reported during the year.
- xi) According to the information and explanations given to us, the Company has not paid/provided any remuneration to its Managerial Personnel since their appointment is without any remuneration.
- xii) The Company is not a Nidhi company.
- xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Accounting Standard.
- xiv) According to the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year under review.
- xv) Based on the audit procedures performed and the information and explanations given to us, the Company has not entered into any non-cash transactions with the Directors or persons connected with the Directors.
- xvi) In our opinion, the Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934.

Chennai

Dated: 30th May 2019

BALANCE SHEET AS AT 31ST MARCH 2019

ASSETS	Note No.	31-3-2019 Rs.	31-3-2018 Rs.
Non Current Assets			
i) Property, Plant and Equipment	4	125,972,675	135,985,116
ii) Capital Work in Progress			
iii) Financial Assets			
a) Investments	5	150,000	150,000
b) Other Financial Assets	6	2,256,941	2,099,812
iv) Deferred Tax Assets		46,434,994	46,434,994
Total Non current Assets	(A)	174,814,610	184,669,922
Current Assets			
Inventories	7	57,672,737	74,089,579
i) Financial Assets			
a) Trade Receivables	8	19,557,353	31,734,605
b) Cash and cash equivalents	9	7,538,888	3,411,797
ii) Other current assets	10	68,207,810	31,113,421
Total current assets	(B)	152,976,788	140,349,402
Total Assets	(A)+(B)	327,791,398	325,019,324
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	11	101,519,160	101,519,160
b) Other Equity			
Reserves and Surplus	12	- 84,233,098	- 167,127,202
Total Equity	(c)	17,286,062	- 65,608,042
LIABILITIES			
Non Current Liabilities			
i) Financial Liabilities			
a) Borrowings	13	48,150,749	48,294,542
b) Other non current liabilities	14	11,581,294	11,906,294
ii) Long Term Provisions	15	5,345,764	10,644,075
Total Non Current Liabilities	(D)	65,077,807	70,844,911
Current Liabilities			
i) Financial Liabilities			
a) Borrowings	16	-	37,151,236
b) Trade Payables		56,398,119	44,538,435
c) Other Financial Liabilities	17	142,685,163	182,655,125
ii) Other current liabilities	18	29,460,117	33,014,870
iii) Short Term Provisions	19	16,884,130	22,422,789
Total Current Liabilities	(E)	245,427,529	319,782,455
Total Equity and Liabilities	C+D+E	327,791,398	325,019,324

For and on behalf of the Board

See accompanying Notes to Financial Statements
Vide our report of even date attached
For S.N.S. Associates
Chartered Accountants (Firm Registration No.006297S)
Sd/-
S. Nagarajan , Partner, Membership No.020899
Chennai
Dated: 30-05-2019

Sd/-
Whole time Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

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

	Note No.	31-3-2019	31-3-2018
INCOME			
Revenue From Operations	20	62,400,492	181,312,122
Less: Excise Duty		-	4,273,708
		62,400,492	177,038,414
Other Income	21	144,431,890	8,035,086
Total Revenue		206,832,382	185,073,500
EXPENSES			
Cost of raw materials and components consumed	22	2,905,717	19,045,420
Purchase of stock-in-trade		10,089,254	24,667,723
Changes in inventories of finished goods and work-in-progress	23	15,667,585	- 576,664
Employee Benefit Expenses	24	19,688,256	51,487,415
Finance Cost	25	3,692,381	11,007,582
Depreciation and amortisation expenses	4	9,857,373	10,062,294
Other Expenses	26	66,422,593	95,608,383
		128,323,160	211,302,153
Profit before exception and extraordinary items and tax		78,509,222	- 26,228,653
Extraordinary items			
Profit before tax		78,509,222	- 26,228,653
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Profit after tax		78,509,222	- 26,228,653
Other Comprehensive Income			
Re measurement of Defined Benefit Plans		- 4,384,882	- 5,751,071
Tax effect on above			
Total Other Comprehensive Income for the year		- 4,384,882	- 5,751,071
Total Comprehensive Income for the year comprising Profit and Other Comprehensive income		82,894,104	- 20,477,582
Earnings per Equity Share (Basic and Diluted)		7.73	- 2.58

For and on behalf of the Board

See accompanying Notes to Financial Statements
 Vide our report of even date attached
 For S.N.S. Associates
 Chartered Accountants (Firm Registration No.006297S)
 Sd/-
 S. Nagarajan , Partner, Membership No.020899

Chennai
 Dated: 30th May 2019

Sd/-
Whole time Director

Sd/-
Director

Sd/-
Company Secretary

Sd/-
CFO

CASH FLOW STATEMENT

		Year ended 31-3-2019	Year ended 31-3-2018
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year before tax		78,509,222	- 26,228,653
Adjustments for			
Depreciation		9,857,373	10,062,294
Interest Expense		3,692,381	11,007,582
Interest income		266,557	210,519
Profit on sale of assets		66,945,422	
Operating profit before working capital changes		24,846,997	- 5,369,296
Adjustments for changes in			
Other Non current financial assets		- 157,129	1,753,175
Trade Receivables		12,177,252	1,167,927
Inventories		16,416,842	- 1,831,917
Other Current Assets		- 37,094,389	- 3,215,991
Trade Payables		11,859,684	7,703,200
Bank deposits under lien		- 4,019,515	- 601,607
Re measurement of defined benefit obligations		4,384,882	5,751,071
Other Financial Liabilities		- 39,969,962	17,765,552
Other Current Liabilities		- 3,554,753	11,342,994
Other Non-Current Liabilities		- 325,000	1,095,000
Long Term Provisions		- 5,298,311	- 6,871,936
Short term provisions		- 5,538,659	1,123,920
Cash Generated from operations		- 26,272,061	29,812,092
Income tax paid (net)			-
Net Cash generated from Operations	(A)	- 26,272,061	29,812,092
B. CASH FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		155,068	- 976,350
Proceeds from sale of Property, Plant and Equipment		66,945,422	-
Interest income		266,557	210,519
Net cash (used in)/from Investing activities	(B)	67,367,047	- 765,831
C. CASH FROM FINANCING ACTIVITIES			
Interest expense		- 3,692,381	- 11,007,582
Repayment of Non Current Borrowings		- 143,793	- 1,050,476
Proceeds from current borrowings		- 37,151,236	- 16,944,333
Net cash (used in)/from Financing Activities	(C)	- 40,987,410	- 29,002,391
Net increase/(decrease) in cash and cash equivalents	(A)+(B)+(C)	107,576	43,870
Opening Cash and Cash Equivalents (excluding deposits under lien)		267,665	223,795
Closing Cash and Cash Equivalents		375,241	267,665

See accompanying Notes to Financial Statements

Vide our report of even date attached

For S.N.S. Associates

Chartered Accountants (Firm Registration No.006297S)

Sd/-

S. Nagarajan , Partner, Membership No.020899

Chennai

Dated: 30th May 2019

For and on behalf of the Board

Sd/-

Whole time Director

Sd/-

Company Secretary

Sd/-

Director

Sd/-

CFO

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

A. EQUITY SHARE CAPITAL

Balance as at 31-3-2016	Rs. 101,519,160
Changes in Equity Share Capital during the year 2016-17	-
Balance as at 31-3-2017	101,519,160
Changes in Equity Share Capital during the year 2017-18	-
Balance as at 31-3-2018	101,519,160
Changes in Equity Share Capital during the year 2018-19	-
Balance as at 31-3-2019	101,519,160

B. OTHER EQUITY	Share Premium	Capital Reserve	Central Subsidy	General Reserve	Surplus	Other Comprehensive Income
As at 1-4-2018	74,400	32,468	2,500,000	25,361,450	-205,036,590	9,941,070
Less: Remeasurment of defined benefit plans transferred to Other Comprehensive Income						4,384,882
Add: Profit for the year after tax					78,509,222	
Balance as at 31-3-2019	74,400	32,468	2,500,000	25,361,450	-126,527,368	14,325,952

NOTES OF FINANCIAL STATEMENT

4. PROPERTY, PLANT AND EQUIPMENT	GROSS BLOCK			Balance 31-3-2019
	As at 01-04-2018	Additions 2018-19	Deletions 2018-19	
Land				
Freehold	527,255		201,068	326,187
Buildings	12,026,489	-		12,026,489
Plant and Equipment	272,155,610	-		272,155,610
Furniture and Fixtures	1,392,580	34,500		1,427,080
Vehicles	11,356,849			11,356,849
Office Equipment	2,416,577	-		2,416,577
Computers	2,552,790	11,500		2,564,290
Software	484,406			484,406
Research and Development Assets				-
Buildings	325,535			325,535
Plant and Equipment	3,365,974			3,365,974
Electrical installation	71,621			71,621
	306,675,686	46,000	201,068	306,520,618

DEPRECIATION BLOCK

	Upto 01-04-2018	For the Year 2018-19	Deletions 2018-19	Balance 31-3-2019
Land				
Freehold	-	-	-	-
Buildings	11,414,127	30,749		11,444,876
Plant and Equipment	140,327,675	8,727,448		49,055,123
Furniture and Fixtures	896,745	147,859		1,044,604
Vehicles	9,724,241	516,319		10,240,560
Office Equipment	1,779,363	283,611		2,062,974
Computers	2,320,905	151,387		2,472,292
Software	466,269	-		466,269
Research and Development Assets				-
Buildings	325,534	-		325,534
Plant and Equipment	3,364,091	-		3,364,091
Electrical installation	71,620	-		71,620
	-			
	170,690,570	9,857,373	-	180,547,943

NET BLOCK

NET BLOCK

	31-3-2019	31-3-2018
Land		
Freehold	326,187	527,255
Buildings	581,613	612,362
Plant and Equipment	123,100,487	131,827,935
Furniture and Fixtures	382,476	495,835
Vehicles	1,116,289	1,632,608
Office Equipment	353,603	637,214
Computers	91,998	231,885
Software	18,137	18,137
Research and Development Assets	-	-
Buildings	1	1
Plant and Equipment	1,883	1,883
Electrical installation	1	1
	125,972,675	135,985,116

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

5. NON CURRENT INVESTMENTS	31-3-2019	31-3-2018
Investments in Equity Instruments (fully paid up)		
Non Trade - Unquoted		
In Others		
Investment in Neycer Employees Co-operative Society	150,000	150,000
	150,000	150,000
6. OTHER FINANCIAL ASSETS		
Unsecured - Considered good		
Security Deposits	2,256,941	2,099,812
	2,256,941	2,099,812
7. INVENTORIES		
Raw Materials	1,257,085	1,398,127
Work in progress	-	1,242,694
Finished Goods	42,337,318	54,587,017
Stock in trade	4,543,869	6,719,063
Stores and Spares	9,534,464	10,142,678
	57,672,737	74,089,579
8. TRADE RECEIVABLES		
Unsecured - Considered good	24,781,317	32,401,699
Unsecured - Considered doubtful	54,078,330	48,187,272
Less: Provision for doubtful debts	- 54,078,330	- 48,187,272
Loss on fair valuation	- 5,223,964	- 667,094
	19,557,353	31,734,605
Of the above		
Debts outstanding for a period exceeding six months from the date they became due	13,712,804	19,059,821
Other Debts	59,922,879	61,529,150
Receivables are after considering loss on fair valuation amounting to	5,223,964	667,094
9. CASH AND CASH EQUIVALENTS		
Cash on hand	26,543	20,413
Balance with Banks		
In Current Account	348,698	247,252
In Deposits offered as security for credit facilities	7,163,647	3,144,132
	7,538,888	3,411,797
10. OTHER CURRENT ASSETS		
Unsecured - Considered Good		
Advance to suppliers	51,930,842	15,930,051
Earnest Money Deposits	15,456,195	14,385,913
Tax Payments pending adjustment (net of provision)	820,773	797,457
Other Advances - Considered doubtful	1,451,537	1,451,537
Less: Provision	- 1,451,537	- 1,451,537
	68,207,810	31,113,421

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

11. EQUITY SHARE CAPITAL	31.03.2019	31.03.2018
SHARE CAPITAL		
<u>Authorised:</u>		
2,97,00,000 Equity Shares of Rs.10/- each	297,000,000	297,000,000
3,00,000 Cumulative Redeemable Preference Shares of Rs.10/- each	3,000,000	3,000,000
	300,000,000	300,000,000
<u>Issued Share Capital</u>		
1,01,63,263 Equity Shares of Rs.10/- each	101,632,630	101,632,630
15,000 9.5% Cumulative Redeemable Preference Shares of Rs.10/- each	150,000	150,000
	101,782,630	101,782,630
<u>Subscribed and Paid up Equity Share capital</u>		
1,01,51,916 Equity Shares of Rs.10 each fully paid up	101,519,160	101,519,160
	101,519,160	101,519,160

9.5% Cumulative Redeemable Preference Shares of Rs.10/- each aggregating to Rs.1,50,000/- which had fallen due for redemption ON 15 June 1993 has been disclosed under Other Financial Liabilities (Note No.16.)

Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	No. of Shares	No. of Shares
Outstanding at the beginning of the year	10,151,916	10,151,916
Outstanding at the end of the year	10,151,916	10,151,916

Shares in the company held by each shareholder holding more than 5% shares

S.No	Name of the shareholder	No. of shares		Percentage of shares held	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
1	Varun Ventures Private Limited	6,000,000	6,000,000	59.10%	59.10%
2	Spartek Ceramics India Limited	952,960	952,960	9.39%	9.39%
3	Sparta Holding Limited	1,207,789	1,207,789	11.90%	11.90%
4	CDS Projects Limited	1,330,000	1,330,000	13.10%	13.10%
Aggregate Number of Equity Shares allotted as fully paid up without payment being received in cash pursuant to order of BIFR dated 26-10-2018		1,330,000	1,330,000		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

12. OTHER EQUITY	Share Premium	Capital Reserve	Central Subsidy	General Reserve	Surplus	Other Comprehensive Income	Total
As at 1-4-2019	74,400	32,468	2,500,000	25,361,450	205,036,590	9,941,070	167,127,202
Less: Remeasurment of defined benefit plans transferred to other Comprehensive Income						4384882	4,384,882
Add: Profit for the year after tax					78,509,222		78,509,222
Balance as at 31-3-2019	74,400	32,468	2,500,000	25,361,450	126,527,368	14,325,952	84,233,098

13. BORROWINGS	31-3-2019	31-3-2018
From Banks		-
Term Loan I		-
Term Loan II		-
Working Capital Term Loan Car Loans From Banks		
HDFC Bank	150,749	294,542
From Others		
From a company	48,000,000	48,000,000
	48,150,749	48,294,542

The Term Loans from Banks are secured by a first charge on the fixed assets and movables of the Company present and future subject to prior charges created in company's bankers for securing working capital requirements.

Car Loans from Banks are secured by a charge on the cars purchased out of the said loans. The car loans repayable in equated monthly instalments which is being repaid as per the terms and conditions and there are no defaults in respect of these loans.

The Borrowings from a Company is repayable after the completion of the repayment of the loans availed from Banks.

14. OTHER NON CURRENT LIABILITIES

Trade Deposits	11,537,000	11,862,000
Deposits from contractors	44,294	44,294
	11,581,294	11,906,294

15. OTHER LONG TERM PROVISIONS

Provision for gratuity	4617181	9,443,095
Provision for leave salary	728583	1,200,980
	5,345,764	10,644,075

16. BORROWINGS

(i) From Banks

Cash Credit – Secured by hypothecation of all stocks of raw materials, stores and spares, work in progress, finished goods and book debts and allow by way of first charge on the fixed assets of the Company and guaranteed by the previous Whole time Director and Spartek Ceramics India Limited

-	37,151,236
-	37,151,236

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**17. OTHER FINANCIAL LIABILITIES**

Current Maturities of Long Term Borrowings

Term Loan	-	78,960,000
Car Loans	224,515	1,030,810
Interest free excise loan	15,000,000	15,000,000
Interest accrued but not due on loans	-	78,371,768
9.5% Cumulative Redeemable Preference Shares of Rs.10/- each (See Note below)	150000	150,000
Advance from customers	5983208	9,142,547
Advance from other	121327440	
	142,685,163	182,655,125

The 9.5% Cumulative Redeemable Preference Shares of Rs.10/- each fell due for redemption on 15 JUNE 1993. The Company has not yet redeemed the said Redeemable Preference Shares and pending redemption these are shown as Current Liability.

18. OTHER CURRENT LIABILITIES

Other Payables		
Excise Duty	9,039,082	16,367,565
VAT payable	9,707,624	762,330
IGST payable	9,273,704	13,463,661
Service tax payable	1,486,015	1,486,015
TDS payable	200,142	219,709
TCS payable	- 670,149	1,291
Others	423,699	714,299
	29,460,117	33,014,870

19. SHORT TERM PROVISIONS

Provision for employee benefits	15,817,325	21,355,984
Others	1,066,805	1,066,805
	16,884,130	22,422,789

31-3-2019 **31-3-2018**

20. REVENUE FROM OPERATIONS

Sale of products	53,516,771	146,792,273
Sale of trading goods	8,689,296	33,681,748
Other Operating Income		
Scrap sales	194,425	838,101
	62,400,492	181,312,122

21. OTHER INCOME

Foreign exchange gains		1,746
Profit on sale of assets	66,942,932	
Interest received	266,557	210,519
Reversal of provision of Excise Duty on closing stock as at 31-3-2017		6,008,333
Credit balances written back		52,696
Excess provision written back		1,137,958
Insurance claim received		199,546
Other income		424,288
Interest Provision no longer req w/back	77,219,911	
Miscellaneous Receipt	2,490	
	144,431,890	8,035,086

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

	31-3-2019 Rs.	31-3-2018 Rs.
22. COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Raw materials and components	2,905,717	19,045,420
	2,905,717	19,045,420
23. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS		
Opening Stock		
Finished Goods	61,306,080	61,021,469
Work in progress	1,242,693	950,640
	62,548,773	61,972,109
Closing Stock		
Finished Goods	46,881,188	61,306,080
Work in progress	-	1,242,693
	46,881,188	62,548,773
(Increase)/Decrease in inventories of Finished Goods and Work in progress	15,667,585	- 576,664
24. EMPLOYEE BENEFIT EXPENSES		
salaries, Wages and Bonus	15,896,866	40,046,551
Contribution to Provident and Other Funds	1,992,134	3,823,131
Welfare Expenses	1,153,018	4,831,382
Contribution to Gratuity	- 5,553,963	2,728,445
Gratuity Paid	6,375,503	
Provision for Leave Salary	- 175,302	57,906
	19,688,256	51,487,415
25. FINANCE COSTS		
Interest Expense	3,551,927	10,647,645
Other Borrowing Costs	140,454	359,937
	3,692,381	11,007,582
26. OTHER EXPENSES		
Consumption of Stores and Spares	2,765,116	7,715,160
Power and fuel	27,225,217	43,080,379
Rent	1,130,294	1,987,500
Insurance	248,285	524,416
Rates and Taxes	1,046,009	2,417,871
Freight and Forwarding	43,417	302,166
Postage and Telephone	424,752	1,121,301
Printing and Stationery	344,452	700,633
Travelling and Conveyance	6,919,853	12,333,014
Payment to Auditors:		
For Audit	200,000	200,000
For Certification	76,000	50,000
Repairs and Maintenance		
Buildings	77,186	729,998
Plant & Machinery	2,496,800	5,058,375
Selling expenses	2,811,504	3,958,337
Professional fees	9,175,020	5,125,368
Advertisement and Sales Promotion	89,710	365,595

Interest on Delayed Remittance of Provident Fund	530,804	346,981
Interest on delayed remittance of ESI	125,917	12,964
Interest on delayed remittance of Excise Duty	-	3,314,442
Interest on delayed remittance of VAT and CST	-	1,152,980
Interest on delayed remittance of TDS	20,674	-
Interest on delayed remittance to TANGEDCO	69,464	-
Interest on delayed remittance to GST	3,415,644	-
Miscellaneous Expenses	1,962,511	4,426,109
Loss on fair valuation of financial assets	5,223,964	667,094
Advances written off	-	17,700
	66,422,593	95,608,383

27. Contingent Liabilities on account of:

a) Guarantees given by Banks on behalf of the Company	7,163,647	7,163,647
b) Inland Letters of Credit issued by Banks	-	2,238,975
c) Arrears of dividend on cumulative preference shares	92,030	92,030
d) Tamil Nadu General sales tax demand disputed for the assessment year 1994-95 The demand raised by the Commercial tax officer in respect of financial transaction representing lease of machineries in erstwhile tiles division has been ser-aside in appeal by the Appellate Assistant Commissioner and remanded back to the Assessing Authority fro fresh consideration, which is pending before the Deputy Commercial Tax officer. In view of the disputed nature of the demand, the same has not been provided for.	9,320,618	9,320,618
e) Tamil Nadu General sales tax demand disputed for the assessment year 2001-02 The demand has been raised by the Assistant Commissioner (Commercial Taxes). The company has filed an appeal against the order in respect of alleged difference in reported turnover in erstwhile tiles division before the Appellate Assistant Commissioner (Commercial taxes), which is pending. In view of the disputed nature of the demand, the same has not been provided for.	34,415,091	34,415,091
f) Central sales tax demand disputed for the assessment year 2001-02 The demand has been raised by the Assistant Commissioner (Commercial taxes) for non-submission of 'C' form in respect of inter-state sales and non-submission of export documents and Form-H in respect of export sales. The company has filed an appeal against the order before the Appellate Assistant Commissioner (Commercial Taxes), which is pending. In view of the disputed nature of the demand, the same has not been provided for.	5,056,861	5,056,861
g) Tamil Nadu value added tax demand disputed for the assessment year 2011-12 The demand has been raised by the Assistant commissioner (Commercial taxes) for non reversal of VAT input Tax Credit claimed by the company relating to stock destroyed due to "Thane Cyclone". The company has filed a writ petition before the Hon'ble High Court of Madras for quashing the proceedings. In view of the disputed nature of the demand, the same has not been provided for.	5,793,862	5,793,862
h) ESI demand disputed for the period May 2005 to March 2009 In respect of the above period, demand has been raised by the Director(Revenue), Employees State Insurance Corporation, Chennai, for non-payment of contribution winthin the time limit prescribed. The company has filed petition before ESI labour court for waiver of damages. In view of the disputed nature of the demand, the same has not been provided for.	647,330	647,330
i) PF demand disputed for the period March 2011 to March 2014. In respect of the above period, demand had been raised by the Regional Provident Fund, Commissioner, Sub-Regional office, Trichirapalli for subterfuge wages in respect of regular employees and due for evaded wages in contract employees. The Company has obtained a stay in respect of the demand and appeal has been filed before the Employees Provident Fund Appellate Tribunal, Delhi. In view of the disputed nature of the demand, the same has not been provided for.	4,722,090	4,722,090

j) **Arbitration Dispute**

GMB Ceramics had filed an arbitration case against the company. Against the award passed by the Arbitrator, the Company had filed an appeal before the High Court of Calcutta. The Calcutta High Court had passed an order directing the company has to pay GMB Ceramics an amount of Rs.1169 lakhs and 15% simple interest and is contingent liability. From the date of umpire award. Against the said order of the High Court, the Company has filed an SLP before the Hon'ble Supreme Court which has directed the company to deposit a sum of Rs.400 lakhs and the SLP has been admitted. The Company has deposited the said amount. Pending disposal of the SLP by the Hon'ble Supreme Court, the amount deposited with the Supreme Court is shown under Advances and necessary adjustments will be made on the disposal of the SLP.

28. The company had been declared Sick Industrial Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.
29. Since the company is a Sick Industrial Company within the meaning of the Sick Industrial Companies (Special provisions) Act. 1985, the company based on legal opinion, had filed a petition before BIFR, seeking leave for redemption of 9.5% Cumulative Redeemable preference shares, ought to have been redeemed before 15th June 1993 and the same is pending.
30. Bank has sanctioned an One Time Settlement (OTS) Scheme for its dues from the Company. The OTS amount was settled on 8th January 2019 and the amounts waived by the bank has been written back in the accounts. The written back of interest provision on OTS with Bank Rs.7,72,19,911/- is included in Other Income (Note NO.21)

The surplus land sales is made by the Company. The profit on sale of surplus land is Rs.6,69,42,932/- included in Other Income (Note No. 21)

31. **Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for:

32. In the absence of information from the company's creditors with regard to submission of memorandum with the specified authority as required under MSMED Act, 2006, the company is unable to furnish the information under the said Act and there are no overdue principal amounts/interest paid or payable.

33.

On account of the liquidity problems that was being faced by the Company, the production was affected during the year. The Company had taken several steps to tide over the liquidity problem which included the one time settlement to the Banks and others and the clearance of undisputed statutory liabilities. The sale of surplus land was effected during the year and the dues to the banks were covered by a One Time Settlement. The Company is now in the process of starting the production with the brand image of the Company being very strong and the Management is of the view that since the liquidity problem has been solved, the production would commence within a short period date and that the Going Concern concept is applicable in the preparation of the accounts for the current financial year.

34. In view of there being unabsorbed allowance that can be set off against profit on sale of assets, provision for taxation is not considered necessary

34.1. **Financial Risk Management and Objectives and Policies**

The Company's principal financial liabilities comprises of borrowings, and trade payables, The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, comprise of trade receivables, investments and cash and cash equivalents that derive directly from the Company's operations. The Company's activities exposes it to various risks including market Risk, quality risk and credit risk. Company's overall risk management focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**34.2. Disclosure of Fair Value Measurements**

The Fair value of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of cash and deposits, trade and other short term receivables, trade payables, other current liabilities, loans from banks and other financial instruments approximate to the carrying amounts.

Financial Instruments by category

As at 31-3-2019	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comp. Income	Carrying amount	Fair Value
Long Term Investment	150,000	-		150,000	150,000
Other financial assets	2,256,941	-		2,256,941	2,256,941
Trade Receivables		19,557,353		19,557,353	19,557,353
Cash and cash equivalents	7,538,888	-		7,538,888	7,538,888
Financial Liabilities					
Long Term Borrowings	48,150,749	-		48,150,749	48,150,749
Other non current liabilities	11,581,294	-		11,581,294	11,581,294
Short term borrowings	-	-		-	-
Trade payables	56,398,119	-		56,398,119	56,398,119
Other financial liabilities	142,685,163	-		142,685,163	142,685,163
As at 31-3-2018					
Financial Assets					
Long Term Investment	150,000	-		150,000	150,000
Other financial assets	2,099,812	-		2,099,812	2,099,812
Trade Receivables	-	31,734,605		31,734,605	31,734,605
Cash and cash equivalents	3,411,797	-		3,411,797	3,411,797
Financial Liabilities					
Long Term Borrowings	48,294,542	-		48,294,542	48,294,542
Other non current liabilities	11,906,294	-		11,906,294	11,906,294
Short term borrowings	37,151,236	-		37,151,236	37,151,236
Trade payables	44,538,435	-		44,538,435	44,538,435
Other financial liabilities	182,655,125	-		182,655,125	182,655,125

Note: The Company has opted for fair valuation of financial assets and liabilities prospectively with effect from the current financial year as per the option granted under Ind AS.

Fair Value Hierarchy

The Company uses the following hierarchy for determining the fair value of the financial assets and liabilities:

- Level 1 - Quoted prices in the market for financial assets or liabilities
- Level 2 - Other techniques for which all inputs which have significant effect on the recorded fair value observable, either directly or indirectly.
- Level 3 - This technique uses inputs that have a significant effect on the recorded fair value that are Account. The amount charged is

ii) Superannuation

The Company has a Superannuation Scheme for eligible employees and the annual liability is determined by Life Insurance Corporation of India and is remitted as premium and charged to Profit and Loss Account. The amount charged is

iii) Leave encashment

In respect of Leave Encashment, which is not funded, the Company makes a provision on actuarial basis, using Projected Unit Credit Method

a) Assumptions used

Discount Rate	7.39%	7.40%
Salary Escalation	5.00%	5.00%
Expected return on plan assets	0.00%	0.00%
Attrition rate	5.00%	5.00%
Average age	49.49	46.18

b) Movement in present value of Defined Benefit Plan (Leave salary) during the year

Opening value of DBO at the beginning of the	1,518,737	1,629,933
Current Service Cost	146,430	241,532
Interest Cost	104,039	114,358
Benefits paid	- 221,806	- 169,102
Actuarial (Gains)/Loss	- 512,576	- 297,984
Closing value of DBO at the end of the year	1,034,824	1,518,737

c) Movement in plan assets during the year

Fair value of plan assets at the beginning	-	-
Interest income of the assets	-	-
Employer contribution	221,806	169,102
Benefits paid	- 221,806	- 169,102
Actuarial gain/(Loss)	-	-
Fair value of plan assets at the end of the year	-	-

d) Sensitivity Analysis

Significant actuarial assumptions for determination of defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumptions outing at the end of the reported:

If the discount rate is 100 basis points higher or lower, the defined benefit obligation would

increase by	54,586	536,875
decrease by	- 43,235	- 435,638

If the expected salary increases/decreases by 100 basis points, the defined benefit obligation would

increase by	52,788	518,764
decrease by	- 42,450	- 449,992

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the range in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the methods and assumptions used in preparing the above sensitivity analysis.

iv) Gratuity

The Company has a group gratuity scheme which is administered by a separate trust and the annual liability as determined by Life Insurance Corporation of India, based on actuarial valuation using projected unit credit method and is charged off to revenue.

a) Assumptions used

Discount Rate	7.62%	7.40%
Salary Escalation	5.00%	5.00%
Expected return on plan assets	0.00%	0.00%
Attrition rate	5.00%	5.00%
Average Longevity at retirement age - past service	17.42	18.36
Average age	47.22	46.18

b) Movement in present value of Defined Benefit Plan (Gratuity) during the year

Opening value of DBO at the beginning of the year	14,575,995	21,674,335
Current Service Cost	313,055	590,259
Interest Cost	882,307	1,477,543
Benefits paid	- 5,994,325	- 3,415,071
Actuarial (Gains)/Loss	- 2,732,290	- 5,751,071
Closing value of DBO at the end of the year	7,044,742	14,575,995

c) Movement in Plan assets during the year

Fair value of plan assets at the beginning	-	-
Interest income of the assets	-	-
Employer contribution	5,994,325	3,415,071
Benefits paid	- 5,994,325	- 3,415,071
Actuarial gain/(Loss)	-	-
Fair value of plan assets at the end of the year	-	-

d) Sensitivity Analysis

Significant actuarial assumptions for determination of defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumptions outing at the end of the reported:

If the discount rate is 100 basis points higher or lower, the defined benefit obligation would

increase by	149,407	288,958
decrease by	- 138,693	269,980

If the expected salary increases/decreases by 100 basis points, the defined benefit obligation would

increase by	- 148,655	309,311
decrease by	157,269	294,709

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the range in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the methods and assumptions used in preparing the above sensitivity analysis.

e) The Company expects to make a contribution of Rs.21,74,917 to the defined benefit plan (gratuity - funded) during the next financial year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

35. ADDITIONAL NOTES

	Qty.	31.03.2019		31.03.2018	
		Value Rs.	Qty.	Value Rs.	
a) Turnover					
Vitreous China sanitaryware	621	44,345,573	1993	142,466,022	
Traded items					
a) Merchandise Fittings		8,689,296		31,572,923	
b) Sanitaryware (in pieces)		9,171,198		2,161,368	
c) Scrap		194,425		838,101	
		<u>62,400,492</u>		<u>177,038,414</u>	
b) Raw materials and components consumed					
	MT				
Clay	95	1,134,726	1,690	8,461,874	
Quartz and Feldspar	183	643,268	1433	4,940,792	
Zirconium O pacifier	75	14,725	10	1,230,960	
Glazes, Frits and Stains	0.5	27,384	1	756,374	
Chemicals and others	12	1,085,614	78	3,655,420	
		<u>2,905,717</u>		<u>19,045,420</u>	
	Qty.	Value Rs.	Qty.	Value Rs.	
c) Opening and Closing stock of goods produced:					
Finished Goods:					
Opening Stock					
Vitreous china sanitaryware	1,123	54,587,019	1238	54,148,746	
Traded items					
a) Merchandise Fittings		5,838,424		5,720,625	
b) Sanitaryware (in pieces)		880,638		1,152,098	
		<u>61,306,081</u>		<u>61,021,469</u>	
Closing Stock					
Vitreous china sanitaryware	887	42,337,318	1,123	54,587,018	
Traded items					
a) Merchandise Fittings		3,515,355		5,838,424	
b) Sanitaryware (in pieces)		1,028,515		880,638	
		<u>46,881,188</u>		<u>61,306,080</u>	
d) Capacity and Production:					
Licensed Capacity :					
Vitreous China Sanitarware	10,000		10,000		
Installed Capacity :					
(as certified by the Management)					
Vitreous China Sanitaryware	10,000		10,000		
Actual Production					
vitreous China Sanitarware	450		1,878		
e) Value of Imports calculated on CIF basis :					
Raw materials		-		-	
Stores and Spares		-		-	
Trading Goods		-		865,045	
		<u>-</u>		<u>865,045</u>	
f) Expenditure in foreign currency:					
Travelling Expenses		388,931		1,402,258	

g) Details regarding consumption of imported and indigenous materials

1. Raw Materials & Components

Imported

Indigenous

	100	2,905,717	100	19,045,420
	100	2,905,717	100	19,045,420

2. Stores & Spare Parts

Imported

Indigenous

	100	2,765,116	100	7,715,160
	100.00	2,765,116	100	7,715,160

(i) Earnings in Foreign Exchange

1. Export of goods on FOB basis

2. Technical Services

	Nil	Nil
	Nil	Nil
	-	-

36. Disclosures as required by the Accounting Standard 18 " Related Party Disclosures" are given below :**a) Key Management Personnel**

Y Mohan Prasad, Whole time Director

G.R.Ananthkrishnan, Chief Financial Officer

G Raghavan, Company Secretary

b) Disclosure of Related Party Transactions and Year End Balances**C) Holding Company:**

Varun Ventures Private Limited

31.03.2019
Amount in Rs.

31.03.2018
Amount in Rs.

Particulars	Nature of Transaction			Nature of Transaction		
	Remuneration		Year End Balance	Remuneration		Year End Balance
Key Management Personnel						
G.R.Ananthkrishnan, CFO from January 2019	487,596	---	---	---	---	---
P.Thirukalathiappan, CFO upto Dec 2018	1,442,997			1,823,986		
G Raghavan, Company Secretary	108,000			120,000		
Directors		Sitting Fees			Sitting	
Directors have not been paid any setting fee						

37. The Company operates in only one segments, viz; manufacture of Sanitaryware and hence there are no reportable segments.

38. Consequent to the introduction of Goods and Service Tax with effect from 1st July 2017, the Turnover is net of GST. In respect of the turnover up to 30th June 2017 for the previous reporting period, the Turnover is inclusive of Excise

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

39. Earning Per Share : Basic and Diluted

	31-3-2019	31-3-2018
Profit / (Loss) for the year	78,509,222	- 26,228,653
Number of Equity Shares of Rs.10/- each outstanding	10,151,916	10,151,916
Earnings per Share basic and diluted	7.73	-2.58

Note: Since the Preference shares issued are already due for redemption but not yet redeemed, the amount of preference dividend is not deducted in computing the Earning Per Share

40. Previous year's figures have been regrouped to conform to current year's classification.

See accompanying Notes to Financial Statements
Vide our report of even date attached
For S.N.S. Associates
Chartered Accountants
(Firm Registration No.006297S)
Chennai
Dated: 30th May 2019

For and on behalf of the Board

Sd/-	Sd/-
Whole time Director	Director
Sd/-	Sd/-
Company Secretary	CFO

NEYCER INDIA LIMITED

Regd Office: No.145, St. Mary's Road, Alwarpet, Chennai 600 018

CIN: L26109TN1960PLC004145

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE VENUE FOR AGM

Name and address of the registered member	
Folio No./DP ID No./ Client ID No.	
No. of Shares	

I hereby record my presence at the 58th Annual General Meeting of the Company being held at No.145, St. Mary's Road, Alwarpet, Chennai 600 018 on on Saturday, 28th September, 2019 at 11.00 a.m.

Signature of the Member/Joint Member/Proxy attending the Meeting

Electronic Voting Event Number (EVEN)	User ID	Password

Note: Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him/her. Duplicate Attendance Slip and Annual Report will not be issued at the Annual General Meeting.

NEYCER INDIA LIMITED

Regd Office: No.145, St. Mary's Road, Alwarpet, Chennai 600 018

CIN: L26109TN1960PLC004145

Phone:044-45088111

Email id: investor@neycer.in Website: www.neycer.in

PROXY FORM

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

CIN	L26109TN1960PLC004145
Name of the Company	Neycer India Limited
Registered Office	No.145, St. Mary's Road, Alwarpet, Chennai 600 018
Name of Member(s)	
Registered Address	
Email ID	
Folio No./ DP ID – Client ID	

I/We, being the Member(s) of and hold/holds _____ shares of above named Company, hereby appoint:

(1) Name.....Address:.....

Email ID:.....Signature..... Or failing him/her

(2) Name.....Address:.....

Email ID:.....Signature..... Or failing him/her

(3) Name.....Address:.....

Email ID:.....Signature..... 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 58th Annual General Meeting of the Company being held at No.145, St. Mary's Road, Alwarpet, Chennai 600 018 on on Saturday, 28th September, 2019 at 11.00 a.m and at any adjournment thereof in respect of such resolutions:

Resolution Number	Resolution	Vote		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31 March, 2019 including audited Balance Sheet as at 31 March, 2019 and the Statement of Profit & Loss for the year ended on that date and the reports of the Board of the Directors and Auditors thereon.			
2	Appointment of a Director in place of Mr. Y Mohan Prasad (DIN 01888892), who retires by rotation and, being eligible, offers himself for re-appointment.			

Special Business				
3	Increase in borrowing power in terms of section 180(1) (c) of the Companies act 2013			
4	Approval for sale of property in terms of Section 180(1)(a) of the Companies Act, 2013			

Signed this.....day of..... 2019

Signature of Member(s):

Signature of Proxy holder(s).....

Affix
Revenue
Stamp of
Re. 1/-

Notes:

1. This form of proxy in order to be effective should be duly stamped, completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave columns 'For, Against, abstain' blank against all or any of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
3. For the Resolutions, Statement setting out material facts thereon and notes please refer to the Notice of the 33rd Annual General Meeting.
4. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.