

57th ANNUAL REPORT

2017-2018

Neycer **INDIA LIMITED**

CONTENTS

SL.NO	PARTICULARS	PAGE NO.
1	Notice to members	1-8
2	Director Report	9-29
3	Management Discussion and Analysis Report	30-33
4	Report on Corporate Governance	34-46
5	Auditors Report	47-54
6	Balance sheet	55-56
7	Profit & Loss Account	57
8	Cash flow statement	58-59
9	Notes to Financial Statements	59-84
10	Proxy form	85-87
11	Attendance slip	88

NEYCER INDIA LIMITED

CIN: L26109TN1960PLC004145

BOARD OF DIRECTORS	Mr. Y.Mohan Prasad	Whole-Time Director
	Mr.GanapathyKrishnamoorthy	Independent Director
	Mr. Bachiame	Independent Director
	Mrs. Jayalakshmi	Independent Director
	Mr. Ramakrishnan Chittibabu (resigned with effect from 29.11.2017)	Independent Director
CHIEF FINANCIAL OFFICER	Mr. P. Thirukalathiapan	
COMPANY SECRETARY	Mr. S. Raghavan	
AUDITORS	M/s. SNS Associates, No.25, 11 th Cross street, Indira nagar, Chennai – 600020.	
BANKERS	Bank of India, Chennai Corporate Banking Branch, Chennai – 600002.	
SECRETARIAL AUDITORS	M/s. Lakshmmi Subramanian & Associates, 81, MNO Complex, Greams Road, Thousand lights,	

	Chennai – 600006.
REGISTERED OFFICE	No. 145, St. Mary’s Road, Alwarpet, Chennai – 600 018. Phone:044-45088111 Emai id: investor@neycer.in Website:www.neycer.in
WORKS	Sanitaryware Division Vadalur – 607303, Cuddalore District, Tamilnadu.
REGISTERAR SHARE TRANSFER AGENTS	M/s. Cameo Corporate Services Ltd., “Subramanian Building”, 1, Club house road, Chennai – 600002. Phone: 044 28460390

NEYCER INDIA LIMITED
NO.145, ST.MARYS ROAD, ALWARPET, CHENNAI – 600 018.
CIN:L26109TN1960PLC004145.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the FIFTY SEVENTH Annual General Meeting of the Company will be held on Friday, the 28th September 2018 at No.145, St. Mary's Road, Alwarpet, Chennai 600 018 at 10.00. A.M to transact the following Business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts viz. the Balance Sheet, the Profit & Loss Account and Cash Flow Statement for the year ended 31st March, 2018 together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Shri Y Mohan Prasad (DIN: 01888892) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To re-appoint Mr. Ganapathy Krishnamoorthy as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ganapathy Krishnamoorthy (DIN: 07003301), who was appointed as an Independent Director and who holds office as an Independent Director up to August 13, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to August, 13, 2024."

4. To re-appoint Mr. Bachiame as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the

time being in force), Mr. Bachiame (DIN: 07003301), who was appointed as an Independent Director and who holds office as an Independent Director up to August 13, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to August, 13, 2024.”

Place: Chennai

Date: 14th August 2018.

By Order of the Board

G.Raghavan

Company Secretary

NOTES:

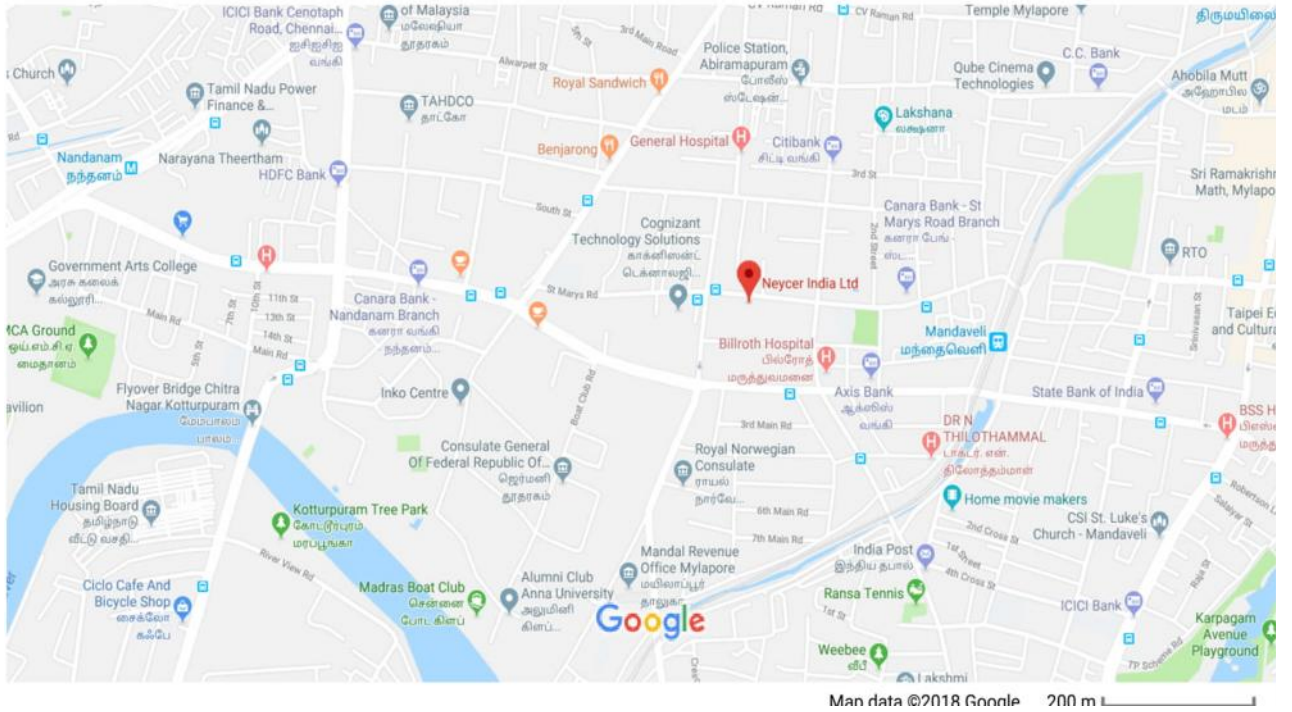
- I. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE O-F THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- II. Pursuant to the provisions of the Companies Act, 2013 and the underlying rules viz. Companies (Management and Administration) Rules, 2014, and the Amendment Rules 2015, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
- III. 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 57th Annual General Meeting of the company.
- IV. Members would be entitled to inspect the proxies lodged; at any time during the business hours of the Company provided not less than three days written notice is given to the Company in advance.
- V. The members/proxies are requested to bring their copy of Annual Report and duly filled Attendance Slips for attending the meeting.
- VI. 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 letterhead 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.

- VII. The equity shares of the Company are listed in The Bombay Stock Exchange Limited.
- VIII. The Register of Members and Share Transfer books of the Company will remain closed from 21st September, 2018 to 28th September, 2018 (both days inclusive).

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 20th September 2018
- 3) **Mrs. Lakshmmi 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 20th September 2018.
- 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.

8) Route Map showing directions to reach the venue of the 57th AGM is as under:



Place: Chennai
Date:14/08/2018.

By Order of the Board

Chairman
DIN-0188892.

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

Item No.3

Mr. Ganapathy Krishnamoorthy (DIN: 07003301) was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to August 13, 2019 ("first term"). The Nomination & Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Ganapathy Krishnamoorthy as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the HRNR Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Ganapathy Krishnamoorthy would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Ganapathy Krishnamoorthy as an Independent Director.

Mr. Ganapathy Krishnamoorthy is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declaration from Mr. Ganapathy Krishnamoorthy that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Ganapathy Krishnamoorthy fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Ganapathy Krishnamoorthy is independent of the management.

Details of Mr. Ganapathy Krishnamoorthy, are provided in the "Annexure" to the Notice.

Except Mr. Ganapathy Krishnamoorthy, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

Item No.4

Mr. Bachiame (DIN: 07003304) was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to August 13, 2019 (“first term”). The Nomination & Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Bachiame as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the HRNR Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Bachiame would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Bachiame as an Independent Director.

Mr. Bachiame is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declaration from Mr. Bachiame that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

In the opinion of the Board, Mr. Bachiame fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Bachiame is independent of the management.

Details of Mr. Bachiame, are provided in the “Annexure” to the Notice.

Except Mr. Bachiame, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

Annexure to Notice
Details of Directors seeking re-appointment at the Forthcoming Annual General Meeting
{Pursuant to Regulation 36(3) of SEBI(Listing Obligations and Disclosure Requirements)
Regulations 2015}

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 31.3.2018	
Private Limited Companies	Designation
M/s Neycer 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 31,2018	
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, 2018	
Audit Committee	NA
Stake Holders Relationship Committee	NA
Nomination & Remuneration Committee	NA
Share Holding in the Company	2 shares

Mr. Ganapathy Krishnamoorthy

Shareholding in the Company as on March 31, 2018	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director
Number of meetings of the Board attended during the financial year (2017-18)	5
Directorships of other Boards as on March 31, 2018	NIL
Membership / Chairmanship of Committees of other Boards as on March 31, 2018.	NIL

Mr. Bachiame

Shareholding in the Company as on March 31, 2018	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director
Number of meetings of the Board attended during the financial year (2017-18)	5
Directorships of other Boards as on March 31, 2018	NIL
Membership / Chairmanship of Committees of other Boards as on March 31, 2018	NIL

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Fifty Seventh Annual Report and Audited Accounts of the Company for the financial year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

(Rs.)

	2017-18	2016-17
Revenue from Operations	177038414	176970092
Other income	8035086	6433634
Total Income	185073500	183403726
Profit before financial expenses, depreciation and exceptional items	47298529	48885507
-Less: Financial expenses	11007582	16200653
Depreciation	10062294	10824064
Profit for the year	- 26,228,653	- 21,860,790
Less: Provision for Income tax		-
Profit after tax	- 26,228,653	- 21,860,790
Add: Profit brought forward	-	-
Amount available for appropriation	-	-
Dividend on Equity Shares	-	-
Tax on Dividend	-	-
General Reserve	-	-
Balance Profit carried to Balance sheet	- 26,228,653	- 21,860,790

PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

The Company has achieved Net sales of Rs 18.13 Crores for the year ended 31st March 2018 as compared to Rs.19.50 Crores in the previous year.

The Company has incurred a Net loss of Rs. 2.62 Crores as against a loss of Rs.2.18 Crores in the previous year.

The production during the year was marginally lower. Under review, the production was 1878 tonnes as against 2097 tonnes during corresponding previous year. The production would have been higher but the stoppage of operation for a period of 60 days due non availability of gas continuously and frequent breakdown of machinery caused such fall in tonnes produced. Your company is confident of improving the operational performance in the forth coming years.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2018 was Rs. 101669160. No additions and alterations to the capital were made during the financial year 2017-18. Out of the above 13,30,000 shares are yet to be listed.

DIVIDEND

Considering the huge accumulated losses, your Board of Directors could not recommend any dividend to the shareholders for the financial year ended 31.03.2018.

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 have been no loan, guarantees and investment given or made by the company under Section 186 of the Act during the financial year 2017-18.

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

COMMENTS ON AUDITOR REPORT

With reference to the observation of the Auditors in audit report, Managements comments are given below:

Auditor's Observation	Comments
The Company has not recognized interest on loans from banks aggregating to Rs. 639 lakhs upto the earlier years and also interest on loans from a body corporate aggregating to Rs. 504 lakhs upto 31 st March, 2018, as a result of which the accumulated is understated by the said amounts	Due to bank account became NPA from December 2006, the interest portion not recognized in the book of accounts. We are discussing with Bankers for one time settlement. Positively this will over by end of December 2018.

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 2017-18.

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.Sundararaman & Co., as an Internal Auditor for the company for the financial year 2017-18.

The Company proposes to continue their services and appoint M/s. R.Sundararaman & Co., as an Internal Auditor for the financial year 2018-19, 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

	2017-18	2016-17
Units (KWH)	11,88,810	10,66,600
Cost (Rs.)	9.67	10.32
Rate per unit (Rs.)	1,14,97,658	1,10,08,004

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:

	2017-18	2016-17
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 2017-18 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, 2017 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

Presently the total number of employees is less than the statutory limit and hence the Company has not constituted a separate committee under the Sexual Harassment of women at Workplace (Prevention, prohibition and Redressal) Act 2013.

However the company has zero tolerance for sexual harassment at work place. During the financial year 2017-18 the company has not received any complaints.

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.

During the year under review, Ramakrishnan Chittibabu resigned from the office on 29.11.2017 due to personal reasons.

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.Thirukalathiapan- Chief Financial Officer

S. 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, 2018 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,

-sd-
Chairman

Date: 14/08/2018

Place: Chennai.

ANNEXURE -I

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

REGISTRATION AND OTHER DETAILS

CIN	L26109TN1960PLC004145
Name of the Company	NEYCER INDIA LIMITED
Registration date	12/05/1960
Category / Sub-Category of the Company	Company limited by shares / Indian Non-
Address of the Registered office and contact details	No.145, ST MARY'S ROAD ALWARPET, CHENNAI 600018
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar	Cameo Corporate Services Limited

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1	CERAMICS	323	85

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	Sriven Realtors Pvt Limited (merged with Varun Ventures Pvt Ltd)	U72300TN1998PTC040542	Holding Company	59.10	

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

Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(a) Indian									
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	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	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A)	800000	6552960	7352960	72.43	800000	6552960	7352960	72.43	Nil
(2) Foreign									
a) NRIs -	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies	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	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding	800000	6552960	7352960	72.43	800000	6552960	7352960	72.43	Nil

B. Public Shareholding	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Institutions									
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State	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) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Capital Funds	Nil	Nil	2464284	7.33	Nil	2464284	2464284	7.33	Nil
i) Others	Nil	Nil	Nil	Nil	Nil	Nil	nil	Nil	Nil
Sub-total	123735	5434	129169	8.60	123735	5434	129169	8.60	Nil
2. Non-Institutions									
a) Bodies Corp.	Nil	2578641	2578641	25.40	Nil	2578641	2578641	25.40	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital in excess of	Nil	36605	36605	0.36	0	36605	36605	0.36	Nil
ii) Individual shareholders holding nominal share capital upto Rs. 1	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	Nil		Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total	50	266978	2669787	26.30	50	2669787	2669787	26.30	
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
Grand Total (A+B+C)	923785	9228131	10151916	100	923785	9228131	10151916	100.0	

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

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares	No of Shares	% of total shares of the
1	At the beginning of the year	7352960	72.43	7352960	72.43
2	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
3	At the end of the year	7352960	72.43	7352960	72.43

Note : No Change in Promoters' Shareholding

v) 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 Raieswari Guhan	19865	0.20	19865	0.20
5	Viswanathan R	16740	0.16	16740	0.16
6	The Oriental Insurance	10000	0.1	10000	0.1
7	Seetha Subramanian	8580	0.08	8580	0.08
8	The United India Insurance	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

vi) Shareholding of Directors and Key Managerial Personnel

Sl. No	For Each of the Directors and KMP	Shareholding at the		Cumulative Shareholding	
		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.	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
2	B S SHAILENDAR	Nil	Nil	Nil	Nil
	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. At the end of the year (or on the date of separation , if separated during the year)				Nil

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i. Principal Amount	49345018	0	0	49345018
ii. Interest due but not paid	Nil	Nil	Nil	Nil
iii. Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	49345018	0	0	49345018
Change in Indebtedness during the financial year				
Addition	-14850659	0	0	-14850659
Net Change	-14850659	0	0	-14850659
Indebtedness at the end of the financial year				
i. Principal Amount	48294542	0	0	48294542
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	48294542	0	0	48294542

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

PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty Punishment/ Compounding fees imposed	Authority /[RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

ANNEXURE II
SECRETARIAL AUDIT REPORT

For the financial year ended 31.03.2018

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

To

The Members

NEYCER INDIA LIMITED

No.145, Manasa Apartment,
Saint Mary's Road, Alwarpet,
Chennai – 600 018.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. 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, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. NEYCER INDIA LIMITED** ("the Company") for the financial year ended on 31st March, 2018 according to the provisions as applicable to the Company during the period of audit:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

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

- v. 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.
- vi. The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed and the Uniform Listing Agreement entered with the stock exchanges pursuant to the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- vii. The following laws are specifically applicable to the Company:
 - Environment Protection Act, 1986
 - The Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008
 - The Water (Prevention & Control of Pollution) Act, 1974 and Rules made thereunder
 - The Air (Prevention & 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 complied with the provisions of the Act,

Rules, Regulations and Guidelines (i-vi), as mentioned above and regarding point vii ,the process of improving in certain areas are being done except: -

- Dematerialization of the fresh issue of preferential issue during 2013 and still pending.
- Obtaining trading approval and still in the suspended Category.
- Compliance of SEBI (LODR) Regulations 2015 in certain areas.
- Delay in filing of certain forms with MCA.
- Company is yet to update its website.

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

- a) 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;

- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) 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, the company is in the process of establishing adequate systems and processes to monitor and ensure compliance with other applicable general laws viz., Industrial Laws, Environmental, Human Resources , labour laws and the following laws:

- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Employees' State Insurance Act, 1948
- The Contract Labour (Regulation & Abolition) Act, 1970
- The Factories Act, 1948
- The Industrial Disputes Act, 1947
- The Workmen's Compensation Act, 1923 & Rules
- Payment of Gratuity Act 1972 & Rules
- The Payment of Bonus Act, 1965
- The Minimum Wages Act, 1948
- The Maternity Benefit Act, 1961
- Apprentices Act, 1961

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 Board of Directors of the Company is well constituted with proper balance of Executive Director, Non-Executive Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 events have occurred, which have a major bearing on the Company's affairs.

- The Company has not dematerialized the fresh issue of preferential issue during 2013 and yet to obtain trading approval and hence in the suspended Category due to non-payment of listing fee and pending compliance of certain formalities with NSDL.
- During the year under review, SEBI vide its Adjudication Order dated January 04, 2018 imposed penalty for non-compliance of Minimum Public Shareholding and on appeal the matter was disposed in favour of company by reducing the penalty amount.
- The company had filed application before NCLT in continuation to the non-completion of BIFR formalities against Bank of India (Operating Agency) and pending disposal.

For **LAKSHMMI SUBRAMANIAN & ASSOCIATES,**

-sd-
P.S.Srinivasan.
Associate Partner
FCS No.1090
C.P.NO. 3122

Place: Chennai
Date:31. 07.2018

ANNEXURE-A

To
The Members
Neycer India Limited
No.145, Manasa Apartment,
Saint Mary's Road, Alwarpet,
Chennai – 600 018.

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. Where ever 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.

For **LAKSHMMI SUBRAMANIAN & ASSOCIATES**

-sd-

P.S.Srinivasan
Associate Partner
FCS No.1090
C.P.NO. 3122

Place: Chennai
Date: 31.07.2018

MANAGEMENT DISCUSSION AND ANALYSIS:

Economy overview:

World economy was consolidating from the past slowdown and recovery was taking place in different areas at different rates, in 2016. Developing countries were disappointed with slower growth than anticipated. In contrast, recovery in high – income countries gained momentum and expected to grow in 2016 and 2017. High income economies contributed more than 40% in the global growth in 2016 and expected to contribute about half of the global growth in coming years.

India is emerged as the growing economy and recorded a GDP growth rate of 6.8% in 2016, although lower than 7.9% recorded in 2015. However with stable new government along with various fiscal and structural reforms, there is optimism about the positive GDP growth of India. With export competitiveness and infrastructural development, IMF estimating GDP growth of India, at 7.2% in 2017.

Sanitary ware Global Market:

Global sanitary ware market is set to grow due to increased demand in housing sector, increasing sanitation levels in developing countries, increase in lifestyle and level of standard of living.

Sanitary ware Indian Market:

India has emerged as the major bath and sanitary ware market in Asia specific region. The sanitary ware market in India has grown rapidly during the last few years as many new international players have entered in Indian market as well many existing players have increased their production capacity.

In thrust to grab bigger market share and to provide a complete bathroom solution, many Indian tiles major, have forayed into this business, making market more competitive.

Increase in housing sector demand, urbanization and government initiatives for sanitation in rural India are the demand drivers for the sector. Increasing purchasing power and lifestyle spending has also created demand for upper end products in India.

There are wide opportunities for ceramics and sanitary ware industry in India considering various positive factors and optimistic outlook. The major growth drivers for the industry are:

Export potential:

With the change in Chinese economy and increased cost of manufacture, Indian sanitary ware became price competitive in the global market. Further with impose of anti-dumping duty on the Chinese sanitary ware by many countries, Indian manufactures has better prospect for export. Also fall in rupee has given added advantage for export making better realization.

Urbanization and increase sanitation:

Increasing urbanization and sanitation will create more demand for the sanitary ware in the coming years. Urbanization is increasing year on year. The awareness for the basic sanitation is also SWOT analysis

Strengths:

- State of the art plants, located ideally in the upcoming state of Gujarat.
- Availability of skilled human resources.
- Multi product company offering complete tiling and bathroom solutions.
- Quality product and established brand.

Weakness:

- Working capital shortage and severe liquidity crunch
- Increasing uncontrollable fuel cost
- Low capacity utilization affecting the cost.

Opportunities:

- Increasing urbanization and development of cities.
- Increasing basic sanitation in rural India with the government's initiatives
- Export opportunities
- Change in spending pattern of consumers with the increase in disposable income.

Threats:

- Changing technology
- Growing brand equity of competitor
- Increasing entry of MNC's in the sector.
- Domestic players are becoming multi Product Company.

Conclusion and Future outlook:

The company has managed its operation with limited working capital and stretched cash flows. The main objective of the company is to run the plant with each possible way and utilize each and every available resources, which will not only maintain the value of the plant but also the value of the brand equity of the company. The company is known for its quality products. This has helped company in increasing its capacity and reduction in cost, in sanitary ware.

There is good demand for the company's artificial marble in the market due to its quality. However due to limited working capital, company could not complete the demand. There is huge potential in the industry due to huge demand from real estate and infrastructure sector. Also the anti-dumping duty imposed on Chinese products, increasing cost of production in china and falling rupee has created more opportunity for export of the Indian tiles and sanitary ware industry.

Considering the immense opportunities in the market, company will achieve its goals and target in the coming years and surpass all the hurdles with its experience and support of all associates.

Financial statement analysis:

Key financial information

The overall operations of the company continued to remain in stress due to liquidity mismatch and working capital shortages.

The company has not done any business in tiles division. Company's tile's plant was also not run for major part of the year due to working capital shortage inspite of the demand for the company's tiles in the market.

Revenue:

Turnover during the financial year 2015-16 was Rs. 17,69,70,092/- as against Rs. 177,038,41/- during the previous year, recorded decrease by Rs. 68,322/-. Revenue is contributed by sanitary ware division.

Risk management:

Identification of risk and its mitigation is the continuous process. The company regularly assesses the risk involved in the business and tried to mitigate with the available resources. The company has identified some of the risk with possible measures as under:

- Competition risk:
Increased completion in the sector from various established players and new entrants may affect the company's revenue.
Mitigation:
Supply of quality products with timely delivery and maintaining the relationship with the customers, will keep the company ahead from competition.
- Loss of brand recall:
Low spending on the brand promotion and negative marketing by competitors may affect brand image of the company.
Mitigation:
The company has created strong brand in the segment and known for its quality. With ease in future cash flows, the company may increase the brand spend and can increase the visibility of brand in near future.
- Technology change:
Changing technology, especially in sanitary ware segment may affect the revenue of the company.
Mitigation:
The company's sanitary ware plant is of latest technology only. However even though the plant needs to be upgraded with minimal critical capex, the company can produce

best products from the existing plant with its limited resources which has the demand in the market.

Human resources:

The company continues to maintain cordial and healthy relationship with the human resources. The company keeps safety and health programs for manpower. It continues to motivate the manpower and provides training in the desired areas.

Internal control:

The company has adequate internal control system and internal audit, commensurate with the size of the business. All the transactions are recorded in proper manner duly authorized and verified by the concern authorizes and reported accordingly.

Internal audit and statutory audit are part of internal control system and done by independent auditors and audit committee regularly reviews the same.

Cautionary statement:

The statement in the management discussion and analysis report cannot be construed as holding put any forecasts, projections, expectations, invitations, offers, etc. within the meaning of applicable securities, laws and regulations. This report basically seeks to furnish information as laid down within the different headings to meet the listing agreement requirements.

ANNEXURE III
COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Mandatory Requirements:

1. Company's Philosophy on Corporate Governance Code

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

▪ **Board of Directors**

Composition and category of 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.

The composition and category of Directors is as follows:-

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. Bachiame	Non - Executive / Independent Director	0	Nil	0
4.	Mrs. Jayalakshmi	Non - Executive / Independent Director	0	Nil	0
5.	Mr. Ramakrishnan Chittibabu (resigned with effect from 29.11.2017)	Non - Executive / Independent Director	0	Nil	0

a) BOARD MEETINGS, ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST AGM:-

During the year under review seven Board Meetings were held and the gap between two Board meetings did not exceed four months. Among other things, key matters like periodic financial results, Company's Annual Financial Results, Financial Statements, Auditor's report and Board's Report, diversify the business of the company, Terms of reference of Board Committees, capital / operating budgets and risk management are brought to the Board.

b) DATE OF BOARD MEETINGS:

During the financial year 2017-2018 - Five (5) Board meetings and one Annual General Meeting were held on the following dates: 30.05.2017, 23.08.2017, 11.09.2017, 11.12.2017, 14.02.2018. AGM was held on 26th September 2017.

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

S.no	Name	Category	No. of Board Meetings held during the tenure of the Director	No. of Board Meetings Attended	Last AGM attendance (Yes/No)
1.	Mr. Y.Mohan Prasad	Whole-time Director	5	5	Yes
2.	Mr.Ganapathy Krishnamoorthy	Non - Executive / Independent Director	5	5	Yes
3.	Mr. Bachiame	Non - Executive / Independent Director	5	5	Yes
4.	Mrs. Jayalakshmi	Non - Executive / Independent Director	5	5	Yes
5.	Mr. Ramakrishnan Chittibabu (resigned with effect from 29.11.2017)	Non - Executive / Independent Director	3	3	Yes

1. Board Committees

As required under Section 149 of the Companies Act, 2013, Mrs. Jayalakshmi is the Women Director on the Board of the Company.

2. Audit Committee

As required under section 177(8), the Audit Committee comprises of 2 Non-Executive Independent Directors and Whole-time Director. The Committee was chaired by Independent Director, Mr. G Krishnamoorthy with requisite qualification. In the opinion of the Board of Directors, all the members of Audit Committee are financially literate and also have accounting or related financial management experience.

The Audit Committee monitors and provides effective observation of the financial control and reporting process, review the financial reporting process, internal audit process, adequacy of internal control systems, review of performance of Statutory Auditors, recommending appointment of Statutory, Internal Auditors recommending the Audit fees and also payment for other services.

During the year ended on 31.03.2018, 4 meetings of the Audit Committee were held on 30.05.2017, 11.09.2017, 11.12.2017 and 12.02.2018, The Chairman of the Audit Committee has the accounting or related financial management expertise.

Name of the Director	No. of Meetings held	No. of Meetings attended
G Krishnamoorthy	4	4
Bachiame	4	4
Ramakrishna Chittibabu (resigned with effect from 29.11.2017)	2	2
Y Mohan Prasad	4	4

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 ndra Audit Committee are wide enough to cover the mandatory items, as required, under clause 49 of the Listing Agreement.

- 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.

3. Nomination and Remuneration Committee

The Board has reconstituted Nomination and Recruitment Committee with the directors to look after the appointment, promotions and payment of remuneration to the working directors and senior executives of the company. The members of the Committee are Mr G Krishnamoorthy Chairman and Mr Bachiame and Mrs Jayalakshmi Members. The Committee met Four times during the year as per the details given below:

S.no	Name	Category of Membership	Meetings held	Meetings Attended
1	G Krishnamoorthy	Chairman	4	4
2	Bachiame	Member	4	4
3	Ramakrishna Chittibabu (resigned with effect from 29.11.2017)	Member	2	2
4	Jayalakshmi	Member	2	2

a) Composition:

The company has constituted Nomination & Remuneration Committee of the Board of Directors. None of the directors draw any remuneration. The actual travel and incidental expenses incurred for attending meetings are only reimbursed.

b) Remuneration Policy:

During the year no remuneration/ sitting fee was paid to the Directors.

4. Stakeholders Relationship Committee

Scope of the Committee

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 holders complaints.

The committee also monitors the implementation and compliance with the company's code of conduct for prohibition of Insider Trading.

The stakeholders Relationship Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and the Provisions of the Companies Act 2013.

Four meetings were held during the Financial year 2017-18

The composition of the Shareholders Relationship Committee as on March 31, 2018 during the financial year 2017-18 were as under:

Name of the Director	Status in the committee
GanapathyKrishnamoorthy	Chairman
Bachiame	Member
Ramakrishnan Chittibabu (resigned with effect from 29.11.2017)	Member
Y Mohan Prasad	Member

Number of complaints received from the investors during the year 2017-18 and their status are as follows.

No. of Complaints received	NIL
No. of Complaints disposed of	NIL
No. of Complaints pending at the year end	NIL

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

COMPLIANCE WITH CLAUSE 49

The company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. The company has also adopted the non-mandatory requirement of Clause 49 to the extent of Remuneration Committee.

CODE OF CONDUCT

The Board of Directors of the company has framed a Code of Conduct for applicable to all Directors and the Senior Management Personnel of your company. The said Code of Conduct has also been posted on the website of the company. The Board members and Senior Management Personnel have affirmed their compliance with the Code of conduct for the year 2017-18. A declaration signed by the Directors of the company to this effect is enclosed at the end of this report.

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.

Disclosure

Related Party Transactions

- a. During the financial year 2017-18 **there were no materially significant** transactions entered into between the Company and its Directors or Management including senior management, their subsidiaries or relatives that may have potential conflict with the interests of the company at large. Further, details of related party transactions form part of notes to the accounts of the Annual Report.

- b. Accounting Treatment:

The company followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements. During the financial year, no differential accounting treatment was followed.

- c. Strictures / penalties

SEBI has passed Adjudication order imposing penalty while the company had appealed against the order of SEBI .

- d. Proceeds from public issues, right issues, preferential issues;

During the year 2017-18 the company did not raise money from public issue and right issue.

- e. The Company has a formal whistle blower policy and access to Audit Committee is made available to every employee.

5. 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 to this Annual Report.

6. Means of Communication

- The annual, half yearly and quarterly results are forthwith being submitted to the Stock Exchanges where shares are listed and are available on their website.
- Management discussion and analysis forms part of the Annual Report.

7. General Shareholder Information

- The 57th Annual General Meeting of the Company will be held on 28th September 2017 at the Registered office at 145 ST Mary's street, Alwarpet, Chennai 600 018 at 10.00 a.m.

General Body Meetings

The location and time of Annual General Meetings (AGM) held during the last 3 years are as follows:

AGM	Date	Time	Venue	No. of Special Resolutions Passed
2015	30.09.2015	2.00 pm	33/24A, Ranjith Road, Kotturpuram, Chennai-85.	NIL
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

Postal Ballot

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

Extra Ordinary General Meeting during the last three years

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

Book closure date:

21st September 2017 to 28th September 2017 (both days inclusive)

Tentative Financial Calendar: April 1, 2018 to March 31, 2018

Results for the quarter ending June 2018	Within 45 days from the end of the quarter
Results for the quarter ending September 2018	Within 45 days from the end of the quarter
Results for the quarter ending December, 2018	Within 45 days from the end of the quarter
Results for the quarter ending March 31, 2019	Audited results within 60 days from the end of the quarter
Annual General Meeting	September 28, 2017

8. Distribution of Shareholding as on March 31, 2018.

Slab of Shareholding	Shareholders	%	Shares (in Rs.)	%
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

9. Distribution of shareholding pattern according to categories of shareholders as on March 31, 2018

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

10. Details of demat shares

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

CEO/CFO CERTIFICATION

A certificate as stipulated in Clause 49(v) of the Listing Agreement duly signed by the compliance officer on financial statements of the company is enclosed to this report.

CERTIFICATION BY AUDITORS

As required under Clause 49 of the Listing Agreement, the Statutory Auditors of the Company M/s. SNS Associates have verified the compliances of the Corporate Governance and the Company has obtained affirming the compliance from them and the same is annexed to this report and forms part of the Annual Report.

DECLARATION UNDER COMPLIANCE WITH CODE OF CONDUCT

In accordance with sub clause 1(D) of Clause 49 o the Listing Agreement with the Stock Exchanges, we hereby confirm that all the Directors and the Senior Management Personnel have affirmed compliance with their respective code of conduct as applicable tot hem, for the year ended 31st March 2018

For and on behalf of the Board,

-sd-

Chairman

CEO/CFO CERTIFICATION

To,

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

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

1. I have reviews the Balance sheet and Profit and loss account and all its schedules and noted on accounts, as well as the cash flow statements for the year ended, 31st march 2018.
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material act or omit to state a material fact necessary to make statements made, in light of the circumstances under which such statement were made, not misleading with respect to the statements made.
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respect, a true and fair view of affairs of the company, the financial condition, results of operation and cash flows of the company as of and for, the period presented in this report and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of my knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violate of the code of conduct of the company.
5. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control system of the company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design of operation of the internal controls, if any, of which I am aware and the steps have been taken or propose to take to rectify these deficiencies.
6. I have disclosed based on my most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors (and persons performing the equivalent functions).
 - a. Significant changes in internal controls over financial reporting during the year, if any, and that the same have been disclosed in the notes of financial statements.
 - b. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.

c. Instances of significant fraud of which have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal controls systems over financial reporting.

For NEYCER INDIA LTD.,

-sd-

P. Thirukalathiapan.

Chief Financial Officer.

AUDITORS' CERTIFICATE

To the Members of

Neycer India Limited

We have examined the compliance of conditions of corporate governance by Neycer India Limited, for the year ended March 31, 2018 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

For SNS Associates,

Chartered Accountants

Firm Regn No: 006297S.

-sd-

S.Nagarajan.

Partner

Membership No. 020899.

**INDEPENDENT AUDITORS'REPORT
TO THE MEMBERS OF
NEYCER INDIA LIMITED**

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies Indian Accounting (Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Basis for Qualified Opinion

As stated in Note No.30, the Company has not recognised interest on loans from Banks aggregating to Rs.639 lakhs upto the earlier years and also interest on loans from a body corporate aggregating to Rs.504 lakhs upto 31st March 2018, as a result of which the accumulated is understated by the said amounts.

Opinion

In our opinion and to the best of our information, and according to the explanations given to us, *except for the effects of the matters described in the Basis for Qualified Opinion Paragraph*, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give an true and fair view in conformity with the accounting practices generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March 2018 and its Profit (financial performance including Other Comprehensive Income), the cash flows and the Changes in Equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening Balance Sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2996, audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 27th July 2017 and 29th July 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited us.

Our opinion is not modified in respect of the above matter.

Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order 2016. Issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the Directors as on 31st March 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2018 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to separate report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and according to the explanations given to us:
 - i. 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(i).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

Chennai

Dated: 29th May 2018

**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) Physical verification of inventories has been conducted by the Management at reasonable intervals and 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, in respect of the investments made by it.
- v) The Company has not accepted deposits from the public.
- vi) We have broadly reviewed the cost records maintained by the Company in respect of products where the Central Government has prescribed maintenance of cost records under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 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 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 2018 for a period of more than six months from the date they became payable:

Details	Amount
Excise Duty	1,13,72,430
Tamil Nadu Sales Tax Collection	4,30,469
Goods and Services Tax	32,16,037

(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 the 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
TNGST Act	Sales tax	3,44,15,091	NIL	Appellate Assistant Commissioner (CT)
CST Act	CST	50,56,861	NIL	Appellate Assistant 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 Provident Fund Appellate Tribunal, Delhi

- viii) The Company has defaulted in the repayment of dues to banks or financial institutions. The Company does not have any outstanding debentures.
- 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 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 45IA of the Reserve Bank of India Act, 1934.

Chennai

Dated: 29th May 2018

**“Annexure B” to the Independent Auditor’s Report
To the Members of Neycer India Limited**

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

We have audited the internal financial controls over financial reporting of **NEYCER INDIA LIMITED** (“the Company”) as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our Opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial Controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Chennai

Date: 29th May 2018

NEYCER INDIA LIMITED
BALANCE SHEET AS AT 31ST MARCH 2018

		Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period	Figures as at the transition date
ASSETS	Note No.	31-3-2018	31-3-2017	1-4-2016
Non Current Assets				
i) Property, Plant and Equipment	4	135,985,116	145,071,060	153,500,398
ii) Capital Work in Progress				-
iii) Financial Assets				
a) Investments	5	150,000	150,000	150,000
b) Other Financial Assets	6	2,099,812	3,852,987	3,727,200
iv) Deferred Tax Assets		46,434,994	46,434,994	46,434,994
Total Non current Assets	(A)	184,669,922	195,509,041	203,812,592
Current Assets				
Inventories	7	74,089,579	72,257,662	78,136,010
i) Financial Assets				
a) Trade Receivables	8	31,734,605	32,902,532	35,150,348
b) Cash and cash equivalents	9	3,411,797	2,766,320	2,616,949
ii) Other current assets	10	31,113,421	27,897,430	24,998,542
Total current assets	(B)	140,349,402	135,823,944	140,901,849
Total Assets	(A)+(B)	325,019,324	331,332,985	344,714,441
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	11		101,519,160	101,519,160

		101,519,160		
b) Other Equity				
Reserves and Surplus	12	167,127,202	- 146,649,620	- 130,455,337
Total Equity	(c)	65,608,042	- 45,130,460	- 28,936,177
LIABILITIES				
Non Current Liabilities				
i) Financial Liabilities				
a) Borrowings	13	48,294,542	49,345,018	64,195,677
b) Other non current liabilities	14	11,906,294	10,811,294	10,761,294
ii) Long Term Provisions	15	10,644,075	17,516,011	25,830,067
Total Non Current Liabilities	(D)	70,844,911	77,672,323	100,787,038
Current Liabilities				
i) Financial Liabilities				
a) Borrowings	16	37,151,236	54,095,569	62,078,247
b) Trade Payables		44,538,435	36,835,235	35,015,057
c) Other Financial Liabilities	17	182,655,125	164,889,573	142,138,064
ii) Other current liabilities	18	33,014,870	21,671,876	19,834,292
iii) Short Term Provisions	19	22,422,789	21,298,869	13,797,920
Total Current Liabilities	(E)	319,782,455	298,791,122	272,863,580
Total Equity ad Liabilities	C+D+E	325,019,324	331,332,985	344,714,441

For S.N.S ASSOCIATES
Chartered Accountants
Firm Reg No. 006297S
-sd-

S. Nagarajan, Partner.
Membership No. 020899.

For and on behalf of
the Board
Director

Whole time Director

Chief Financial officer

Company Secretary

NEYCER INDIA LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

	Note No.	Figures for the current reporting period 31-3-2018	Figures for the previous reporting period 31-3-2017
INCOME			
Revenue From Operations	20	181,312,122	194,967,023
Less: Excise Duty		4,273,708	17,996,931
		177,038,414	176,970,092
Other Income	21	8,035,086	6,433,633
Total Revenue		185,073,500	183,403,725
EXPENSES			
Cost of raw materials and components consumed	22	19,045,420	17,249,685
Purchase of stock-in-trade		24,667,723	20,942,067
Changes in inventories of finished goods and work-in-progress	23	- 576,664	5,814,576
Employee Benefit Expenses	24	51,487,415	51,895,338
Finance Cost	14	11,007,582	16,200,653
Depreciation and amortization expenses	4	10,062,294	10,824,064
Other Expenses	26	95,608,383	82,338,132
		211,302,153	205,264,515
Profit before exception and extraordinary items and tax		- 26,228,653	- 21,860,790
Extraordinary items			
Profit before tax		- 26,228,653	- 21,860,790
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Profit after tax		- 26,228,653	- 21,860,790
Other Comprehensive Income			
Remeasurement of Defined Benefit Plans		- 5,751,071	- 5,666,507
Tax effect on above			-
Total Other Comprehensive Income for the year		- 5,751,071	- 5,666,507
Total Comprehensive Income for the year comprising Profit and		- 20,477,582	- 16,194,283
Other Comprehensive income			
Earnings per Equity Share (Basic and Diluted)		- 2.58	- 2.15

CASHFLOW STATEMENT				
		Year ended		
		31-3-2018	31-3-2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the year before tax		- 26,228,653	-	21,860,790
Adjustments for				
Depreciation		10,062,294		10,824,064
Interest Expense		11,007,582		16,200,653
Interest income		210,519		323,362
Profit on sal of assets				2,499
Operating profit before working capital changes		- 5,369,296		4,838,066
Adjustments for changes in				
Other Non current financial assets		1,753,175	-	125,787
Trade Receivables		1,167,927		2,247,816
Inventories		- 1,831,917		5,878,348
Other Current Assets		- 3,215,991	-	2,898,888
Trade Payables		7,703,200		1,820,178
Bank deposits under lien		- 601,607	-	159,379
Remeasurement of defined bebenefit obligations		5,751,071		5,666,507
Other Financial Liabilities		17,765,552		22,751,509
Other Current Liabilities		11,342,994		1,837,584
Other Non-Current Liabilities		1,095,000		50,000
Long Term Provisions		- 6,871,936	-	8,314,056
Short term provisions		1,123,920		7,500,949
Cash Generated from operations		29,812,092		41,092,847
Income tax paid (net)			-	
Net Cash generated from Operations	(A)	29,812,092		41,092,847
B. CASH FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment		- 976,350	-	2,394,726
Proceeds from sale of Property, Plant and Equipment				2,499
Interest income		210,519		323,362
Net cash (used in)/from Investing activities	(B)	- 765,831	-	2,068,865
C. CASH FROM FINANCING ACTIVITIES				
Interest expense		- 11,007,582	-	16,200,653

Repayment of Non Current Borrowings			- 1,050,476	- 14,850,659
Proceeds from current borrowings			- 16,944,333	- 7,982,678
Net cash (used in)/from Financing Activities		©	- 29,002,391	- 39,033,990
Net increase/(decrease) in cash and cash equivalents		(A)+(B)+©	43,870	- 10,008
Opening Cash and Cash Equivalents (excluding deposits under lien)			223,795	233,803
Closing Cash and Cash Equivalents			267,665	223,795

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018.

Basis of preparation on Financial Statements

The Financial Statements upto the year ended 31st March 2017 were prepared under the Accounting Standards Rules 2006 (as amended) and other relevant provisions of the Companies Act, 2013 (Indian GAAP)

As per the Notification issued by the Ministry of Corporate Affairs, the adoption of Ind AS has become mandatory for the Company with effect from the financial year commencing on 1st April 2017. Accordingly the Company has adopted Ind AS from 1st April 2017 (the Transition Date) and the Financial Statements for the year ended 31st March 2018 have been prepared in accordance with the principles laid down in Ind AS.

The Financial Statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Certain financial assets and liabilities measured at fair values (please refer accounting policy regarding financial assets and financial liabilities)

First time adoption of IND AS

The Company has restated the Financial Statements as at 1st April 2016, being the Transition Date on the following basis:

(i) The Property, Plant and Equipment have been valued at historical cost and the revaluation of certain assets carried out in earlier years have been reversed and the value of Property, Plant and Equipment considered at the historical cost as on the Transition Date.

(ii) The accounting for employee benefits have been carried out in accordance with the provisions of Ind AS 19 and necessary adjustments have been made in the Financial Statements.

Exemptions availed under Ind AS 101

a) Property, Plant and Equipment

The historical cost of the Property, Plant and Equipment as at the Transition Date is adopted as the deemed cost.

b) Investments in other companies

The Company has decided to carry its investments in other companies at deemed which is the previous GAAP carrying amount as on the date of transition to Ind AS.

c) Interest Free Sales tax Loan

The Company has elected to use the previous GAAP carrying amount of the Interest Free Sales Tax Kiabas the carrying amount of the Loan in the opening Ind AS Balance Sheet.

d) Fair Value of Financial Assets and Liabilities

As per Ind AS Exemption, the Company has not fair valued the financial assets and liabilities retrospectively, and has measured the same prospectively.

Significant Accounting Policies

a) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted Indian Accounting Standards (Ind AS) principles, requires the management to make estimates and assumption that affect the reported amounts of the assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based on the managements 'best knowledge of current events and actions, the actual results could differ from these estimates.

b) Property, Plant and Equipment

Property, Plant and Equipment are accounted for at the deemed cost which is the historical cost as per the previous GAAP. Depreciation is provided over the remaining useful life of the assets, as per Schedule II of the Companies Act, 2013 on Straight Line Basis in the case of Property, Plant and Equipment of PTFE Segment and written down value basis in respect of other assets.

c) Inventories

The Inventories of raw materials, stores and spares, Finished Goods and Work-in- progress are valued at lower of cost or realisable value. The cost in respect of Raw Materials and Stores and Spares are determined on the basis of weighted average cost.

d) Foreign Currency Transactions

Foreign exchange transactions are accounted for at the exchange rates prevailing on the date of the transactions. Assets and liabilities in foreign currency are translated at the rate of exchange difference prevailing on the reporting date. Gains or losses, if any, arising therefrom are recognized in the Profit and Loss Account.

e) Revenue Recognition

Revenue from sale of goods is recognized when significant risks and rewards of the ownership of the goods is assted to the buyer, usually on delivery of the goods. Revenue from sale of goods is measured at the value of the consideration received or receivable, net of returns and discounts.

f) Research and Development

Research and Development expenses not resulting in tangible property/equipment are charged to Revenue.

g) Borrowing Costs

Interest and other cost in connection with borrowing of funds to the extent related/ attributed to the acquisition/construction of qualifying fixed assets are capitalized upto the date when such assets are ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

h) Investments

Long Term Investments are carried at cost.

i) Employee Benefits

The Company is contributing to Provident Fund for the employees and the same is remitted to Regional Provident Fund Commissioner and charged to the Statement of Profit and Loss.

The Company has a group gratuity scheme duly recognized by the Commissioner of Income tax and the annual liability determined by the Life Insurance Corporation of India is remitted as premium and charged to the Statement of Profit and Loss as actuarially based determined on Projected Unit Credit Method as per Ind AS 19.

The liability in respect of leave wages is being accounted for on accrual basis based on actuarial valuation using Projected Unit Credit Method.

j) Impairment of Assets

As at the Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- i) the extent of recognition of impairment loss, if any, required or
- ii) the reversal, if any, required of impairment loss recognized in the previous periods, Where the carrying amount of an asset exceeds its recoverable amount, such excess is recognized as impairment loss and charged in the Statement of Profit and Loss.

k) Provisions and contingent liabilities

Provision is recognised in respect of present obligation requiring settlement by outflow of resources and of which reliable estimate of the amount of obligation could be made.

Contingent liability is not recognised and is disclosed unless the possibility of outflow of resources embodying economic benefit is remote. Present obligation arising from the past events and the existence of which is subject to accurance or non occurrence of an in certain future event is disclosed.

A. EQUITY SHARE CAPITAL

Balance as at 31-3-2016	101519160
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

B. OTHER EQUITY	Share Premium	Capital Reserve	Central Subsidy	General Reserve	Surplus	Other comprehensive income
Balance as at 1-4-2016	74,400	32,468	2,500,000	25,361,450	- 158,423,655	
Add: Profit/OCI for the year					- 21,860,790	5,666,507
Less: Restatement of defined benefit plans Transferred to other Comprehensive Income as at 1-4-2016					-1,476,508	- 1,476,508
Balance as at 31-3-2017	74,400	32,468	2,500,000	25,361,450	- 178,807,937	41,89,999
Less: Remeasurement of defined benefit plans transferred to Other Comprehensive						57,51,071
Add: Profit for the year after tax					- 26,228,653	
Balance as at 31-3-2018	74,400	32,468	2,500,000	25,361,450	- 205,036,590	99,41,070

4. PROPERTY, PLANT AND EQUIPMENT							
	GROSS BLOCK						
	As at	Additions	Deletions	Balance	Additions	Deletions	Balance
	1-4-2016	2016-17	2016-17	31-3-2017	2017-18	2017-18	31-3-2018
Freehold	527,255			527,255			527,255
Buildings	12,026,489			12,026,489	-		12,026,489
Plant and Equipment	271,480,518			271,480,518	675,092		272,155,610
Furniture and Fixtures	684,962	670,750		1,355,712	36,868		1,392,580
Vehicles	10,492,911	863,938		11,356,849			11,356,849
Office Equipment	1,545,858	714,743		2,260,601	155,976		2,416,577
Computers	2,299,081	145,295		2,444,376	108,414		2,552,790
Software	484,406			484,406			484,406
Buildings	325,535			325,535			325,535
Plant and Equipment	3,365,974			3,365,974			3,365,974
Electrical installation	80,481		8,860	71,621			71,621
	303,313,470	2,394,726	8,860	305,699,336	976,350	-	306,675,686
	DEPRECIATION BLOCK						
	As at	For the year	Deletions	Balance	For the Year	Deletions	Balance
	1-4-2016	2016-17	2016-17	31-3-2017	2017-18	2017-18	31-3-2018
Buildings	11,285,988	110,007		11,395,995	18,132		11,414,127
Plant and Equipment	122,941,399	8,690,741		131,632,140	8,695,535		140,327,675
Furniture and Fixtures	561,717	145,811		707,528	189,217		896,745
Vehicles	7,889,485	1,060,890		8,950,375	773,866		9,724,241
Office Equipment	1,347,317	353,220		1,700,537	78,826		1,779,363
Computers	1,723,250	300,545		2,023,795	297,110		2,320,905

Software	304,800	161,469		466,269	-		466,269
Buildings	325,534	-		325,534	-		325,534
Plant and Equipment	3,353,102	1,381		3,354,483	9,608		3,364,091
Electrical installation	80,480	-	8,860	71,620	-		71,620
	149,813,072	10,824,064	8,860	160,628,276	10,062,294	-	170,690,570

NET BLOCK	31-3-2018	31-3-2017
Freehold	527,255	527,255
Buildings	612,362	630,494
Plant and Equipment	131,827,935	139,848,378
Furniture and Fixtures	495,835	648,184
Vehicles	1,632,608	2,406,474
Office Equipment	637,214	560,064
Computers	231,885	420,581
Software	18,137	18,137
Research and Development Assets		
Buildings	1	1
Plant and Equipment	1,883	11,491
Electrical installation	1	1
	135,985,116	145,071,060

5. NON CURRENT INVESTMENTS	31-3-2018	31-3-2017	1-4-2016
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	150,000	150,000
6. OTHER FINANANCIAL ASSETS			
Unsecured - Considered good			
Security Deposits	2,099,812	3,852,987	3,727,200
	2,099,812	3,852,987	3,727,200
7. INVENTORIES			
Raw Materials	1,398,127	1,601,787	2,498,122
Work in progress	1,242,694	950,640	2,082,891
Finished Goods	54,587,017	54,148,746	57,904,565
Stock in trade	6,719,063	6,872,723	7,799,228
Stores and Spares	10,142,678	8,683,766	7,851,204
	74,089,579	72,257,662	78,136,010
8. TRADE RECEIVABLES			
Unsecured - Considered good	32,401,699	32,902,532	35,150,348
Unsecured - Considered doubtful	48,187,272	48,187,272	48,187,272
Less: Provision for doubtful debts	-	-	-
	48,187,272	48,187,272	48,187,272
Loss on fair valuation	-		
	667,094		
	31,734,605	32,902,532	35,150,348
Of the above			
Debts outstanding for a period exceeding six months			
from the date they became due	19,059,821	19,313,095	17,000,747

Other Debts	61,529,150	61,776,709	66,336,873
Receivables are after considering loss on fair valuation amounting to	667,094	-	-
9. CASH AND CASH EQUIVALENTS			
Cash on hand	20,413	34,489	7,693
Balance with Banks			
In Current Account	247,252	189,306	226,110
In Deposits offered as security for credit facilities	3,144,132	2,542,525	2,383,146
	3,411,797	2,766,320	2,616,949
10. OTHER CURRENT ASSETS			
Unsecured - Considered Good			
Advance to suppliers	15,930,051	21,388,742	19,200,701
Other Advances	14,385,913	5,723,109	5,010,228
Advances to Related Parties - Holding Company, Varun Ventures P Ltd.			
Earnest Money Deposits			
Tax Payments pending adjustment (net of provision)	797,457	785,579	787,613
Other Advances - Considered doubtful	1,451,537	1,451,537	1,451,537
Less: Provision	-	-	-
	1,451,537	1,451,537	1,451,537
	31,113,421	27,897,430	24,998,542

11. EQUITY SHARE CAPITAL

SHARE CAPITAL	31.03.2018	31.03.2017	01.04.2016
<u>Authorised:</u>			
2,97,00,000 Equity Shares of Rs.10/- each	297,000,000	297,000,000	297,000,000
3,00,000 Cumulative Redeemable Preference Shares of Rs.10/- each	3,000,000	3,000,000	3,000,000
	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>
<u>Issued Share Capital</u>			
1,01,63,263 Equity Shares of Rs.10/- each	101,632,630	101,632,630	101,632,630
15,000 9.5% Cumulative Redeemable Preference Shares of Rs.10/- each	150,000	150,000	150,000
	<u>101,782,630</u>	<u>101,782,630</u>	<u>101,782,630</u>
<u>Subscribed and Paid up</u>			
<u>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
	<u>101,519,160</u>	<u>101,519,160</u>	<u>101,519,160</u>

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	No. of Shares
Outstanding at the beginning of the year	10,151,916	10,151,916	10,151,916
Outstanding at the end of the year	10,151,916	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		
		31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
1	Varun Ventures Private Limited	6,000,000	6,000,000		59.10%	59.10%	0.00%
2	Sriven Ventures Private Limited			6,000,000	0.00%	0.00%	59.10%
3	CDS Projects Limited	1,330,000	1,330,000	1,330,000	13.10%	13.10%	13.10%
4	Sparta Holdings Limited	1,207,789	1,207,789	1,207,789	11.90%	11.90%	11.90%
5	Sparta Holdings Limited	952,960	952,960	952,960	9.39%	9.39%	9.39%
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			

12 OTHER EQUITY	Share Premium	Capital Reserve	Central Subsidy	General Reserve	Surplus	Other comprehensive income
Balance as at 1-4-2016	74,400	32,468	2,500,000	25,361,450	- 158,423,655	
Add: Profit/OCI for the year					- 21,860,790	5,666,507
Less: Restatement of defined benefit plans Transferred to other Comprehensive Income as at 1-4-2016					-1,476,508	- 1,476,508
Balance as at 31-3-2017	74,400	32,468	2,500,000	25,361,450	- 178,807,937	41,89,999
Less: Remeasurement of defined benefit plans transferred to Other Comprehensive						57,51,071
Add: Profit for the year after tax					- 26,228,653	
Balance as at 31-3-2018	74,400	32,468	2,500,000	25,361,450	- 205,036,590	99,41,070

13. BORROWINGS	31-3-2018	31-3-2017	01-04-2016
From Banks	-		
Term Loan I	-	-	6,084,000
Term Loan II	-	-	7,299,000
Working Capital Term Loan		-	1,184,000
Car Loans From Banks			
HDFC Bank	294,542	1,345,018	1,628,677
From Others			
From a company	48,000,000	48,000,000	48,000,000
	48,294,542	49,345,018	64,195,677
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 installments 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	11,862,000	10,767,000	10,717,000
Deposits from contractors	44,294	44,294	44,294
	11,906,294	10,811,294	10,761,294
15. OTHER LONG TERM PROVISIONS			
Provision for gratuity	9,443,095	16,275,870	24,592,830
Provision for leave salary	1,200,980	1,240,141	1,237,237
	10,644,075	17,516,011	25,830,067
16. BORROWINGS			
(i) From Banks			
Cash Credit - Secured	37,151,236	54,095,569	62,078,247
Secured by hypothecation of all stocks of raw materials, stores and spares, work in progress, finished goods and book debts and also 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			
17. OTHER FINANCIAL LIABILITIES			
Current Maturities of Long Term Borrowings			
Term Loan	78,960,000	85,684,000	74,951,000
Car Loans	1,030,810	1,014,898	862,168
Interest free excise loan	15,000,000	15,000,000	15,000,000
Interest accrued but not due on loans	78,371,768	52,612,920	42,476,762
9.5% Cumulative Redeemable Preference	150,000	150,000	150,000

Shares of Rs.10/- each			
Advance from customers	9,142,547	10,427,755	8,698,134
	182,655,125	164,889,573	142,138,064
The 9.5% Cumulative Redeemable Preference Shares of Rs.10/- each fell due for redemption on 15.06.1993/ 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	16,367,565	18,873,085	16,585,981
VAT payable	762,330	2,422,559	2,864,142
IGST payable	13,463,661		
Service tax payable	1,486,015		
TDS payable	219,709	163,348	141,879
TCS payable	1,291	2,013	45,186
Others	714,299	210,871	197,104
	33,014,870	21,671,876	19,834,292
19. SHORT TERM PROVISIONS			
Provision for employee benefits	21,355,984	20,232,064	12,731,115
Others	1,066,805	1,066,805	1,066,805
	22,422,789	21,298,869	13,797,920

20. REVENUE FROM OPERATIONS	31-3-2018	31-3-2017
Sale of products	146,792,273	161,989,184
Sale of trading goods	33,681,748	32,097,606
Other Operating Income Scrap sales	838,101	880,233
	181,312,122	194,967,023
21. OTHER INCOME		
Foreign exchange gains	1,746	
Profit on sale of assets		2,499
Interest received	210,519	323,362
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	6,082,650
Other income	424,288	25,122
	8,035,086	6,433,633
22. COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Raw materials and components	19,045,420	17,249,685
	19,045,420	17,249,685
23. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS		
Opening Stock		
Finished Goods	61,021,469	65,703,794
Work in progress	950,640	2,082,891
	61,972,109	67,786,685
Closing Stock		
Finished Goods	61,306,080	61,021,469
Work in progress	1,242,693	950,640
	62,548,773	61,972,109
(Increase)/Decrease in inventories of Finished Goods and Work in progress	- 576,664	5,814,576
24. EMPLOYEE BENEFIT EXPENSES		
salaries, Wages and Bonus	40,046,551	34,798,023
Contribution to Provident and Other Funds	3,823,131	4,149,680
Welfare Expenses	4,831,382	3,898,136
Contribution to Gratuity	2,728,445	8,830,517
Provision for Leave Salary	57,906	218,982
	51,487,415	51,895,338

25. FINANCE COSTS		
Interest Expense	10,647,645	15,416,632
Other Borrowing Costs	359,937	784,021
	11,007,582	16,200,653

26. OTHER EXPENSES		
Consumption of Stores and Spares	7,715,160	8,408,949
Power and fuel	43,080,379	37,908,814
Rent	1,987,500	2,588,500
Insurance	524,416	306,938
Rates and Taxes	2,417,871	696,237
Freight and Forwarding	302,166	661,883
Postage and Telephone	1,121,301	1,005,344
Printing and Stationery	700,633	713,677
Travelling and Conveyance	12,333,014	9,448,908
Payment to Auditors:		
For Audit	200,000	150,000
For Certification	50,000	36,000
For Reimbursement of expenses	-	23,000
For Service tax	-	27,400
Repairs and Maintenance	-	
Buildings	729,998	329,941
Plant & Machinery	5,058,375	4,274,637
Selling expenses	3,958,337	2,142,786
Professional fees	5,125,368	3,498,944
Advertisement and Sales Promotion	365,595	348,728
Interest on Delayed Remittance of Provident Fund	346,981	156,629
Interest on delayed remittance of ESI	12,964	3,604
Interest on delayed remittance of Excise Duty	3,314,442	4,058,961
Interest on delayed remittance of Service tax	-	72,812
Interest on delayed remittance of VAT and CST	1,152,980	727,462
Interest on delayed remittance of gratuity	-	108,670
Interest on delayed remittance of TDS	-	7,159
Interest on delayed remittance to TANGEDCO	-	84,684
Increase/(Decrease) in Excise Duty on Closing Stock	-	- 425,508
Miscellaneous Expenses	4,426,109	4,972,973
Loss on fair valuation of financial assets	667,094	
Advances written off	17,700	
	95,608,383	82,338,132

Contingent Liabilities on account of:	31.03.2018	31.03.2017
a) Guarantees given by Banks on behalf of the Company	7163647	7163647
b) Inland Letters of Credit issued by Banks	2238975	4615827
c) Arrears of dividend on cumulative preference shares	92030	92030

d) Tamil Nadu General sales tax demand disputed for the assessment year 1994-95 - Rs. 9320618.

The demand raised by the Commercial tax officer in respect of financial transaction representing lease of machineries in erstwhile tiles division has been set-aside in appeal by the Appellate Assistant Commissioner and remanded back to the Assessing Authority for 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.

e) Tamil Nadu General sales tax demand disputed for the assessment year 2001-02 – Rs. 34415091.

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.

f) Central sales tax demand disputed for the assessment year 2001-02 – Rs. 5056861.

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.

g) Tamil Nadu value added tax demand disputed for the assessment year 2011-12 – Rs. 5793862.

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.

h) ESI demand disputed for the period May 2005 to March 2009 – Rs.647330.

In respect of the above period, demand has been raised by the Director (Revenue), Employees State Insurance Corporation, Chennai, for non-payment of contribution within 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.

i) PF demand disputed for the period March 2011 to March 2014 – Rs. 4722090.

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.

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. As in earlier years, the company has not recognised interest dues on loans from bank and body corporate and the arrears of interest payable to bank aggregate to Rs.6.39 crores subject to reconciliation has been converted by the bank during the year 2011-12 into Funded interest Term loan, of which Rs.49.25 lakhs paid has been recognized upto year ended 31.03.2015 and since then no payment has been made. The repayment of FITL in EMI terms scheduled to commence from January 2012 has not been made and the same will be recognised as and when the funded interest is services. The company has not recognized interest dues on loans from VIZ projects, a body corporate upto 31.03.2017 to an extent of Rs.4.46 crores and for the year amounting to Rs.48 lakhs. The interest is for the period from 2009-10 with a right to recompense from the date of debt restructuring and the same will be recognized as and when it is serviced.

During the year ended 31.03.2015, the bank had converted pending reconciliation by the company, unrecognised interest dues of Rs.37 lakhs of Term loan - I pertaining to the period 29.06.2011 to 31.12.2011, Rs.87 lakhs of Term loan II pertaining to period 29-10-2010 to 31.12.2011, Rs.57 lakhs of Cash credit facility pertaining to the period 01.01.2011 to 31.12.2011 into Funded interest term loan II of which Rs.5 lakhs paid during the year ended 31.03.2015 has been recognised. The repayment of FITL II in EMI terms scheduled to commence from September 2014 has not been made and same will be recognised as and when the funded interest is services.

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. The company has not discontinued any operations during the year.

34.

1. Reconciliation of Net Profit as per IGAAP and Ind AS

Net Profit as per IGAAP for the year 31-3-2017	-	16,194,283
Add: Ind AS adjustment on account of restatement of gains on defined benefit plans to Other Comprehensive Income	-	5,666,507
Net Profit as per Ind AS for the year 31-3-2017	-	21,860,790

34.2

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 expose it to various risks including market risk, quality risk and credit risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

34.3 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 31-3-2018 FIXED ASSETS	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comp. Income	Carrying amt	Fair Value
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
As at 31-3-2017					
Long Term Investment	150,000	-	-	150,000	150,000
Other financial assets	3,852,987	-	-	3,852,987	3,852,987
Trade Receivables	32,902,532	-	-	32,902,532	32,902,532
Cash and cash equivalents	2,766,320	-	-	2,766,320	2,766,320
Financial Liabilities		-	-	-	-
Long Term Borrowings	49,345,018	-	-	49,345,018	49,345,018
Other non current liabilities	10,811,294	-	-	10,811,294	10,811,294
Short term borrowings	54,095,569	-	-	54,095,569	54,095,569
Trade Payables	36,835,235	-	-	36,835,235	36,835,235
Other financial liabilities	164,889,573	-	-	164,889,573	164,889,573
As at 1-4-2016					
Long Term Investment	150,000	-	-	150,000	150,000
Other financial assets	3,727,200	-	-	3,727,200	3,727,200
Trade Receivables	35,150,348	-	-	35,150,348	35,150,348
Cash and cash equivalents	2,616,949	-	-	2,616,949	2,616,949
Financial Liabilities		-	-	-	-
Long Term Borrowings	64,195,677	-	-	64,195,677	64,195,677

Other non current liabilities	10,761,294				
Short term borrowings	62,078,247	-	-	62,078,247	62,078,247
Trade Payables	35,015,057	-	-	35,015,057	35,015,057
Other financial liabilities	142,138,064	-	-	142,138,064	142,138,064
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 not based on observable market data.				

34.4. Employee Benefits

i) Provident Fund

The Company is contributing to Provident Fund for its employees and the same is remitted to the Regional Provident Fund Commissioner and the amount is charged to Profit and Loss Account.

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.

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	7.40%	6.85%
Salary Escalation	5.00%	7.00%
Expected return on plan assets	0.00%	0.00%
Attrition rate	5.00%	5.00%
Average age	46.18	47.90

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

Opening value of DBO at the beginning of the year	1,629,933	1,570,696
Current Service Cost	241,532	409,419
Interest Cost	114,358	102,121
Benefits paid	- 169,102	- 159,745
Actuarial (Gains)/Loss	- 297,984	- 292,558
Closing value of DBO at the end of the year	1,518,737	1,629,933

c) Movement in plan assets during the year

Fair value of plan assets at the beginning	-	-
Interest income of the assets	-	-
Employer contribution	169,102	159,745
Benefits paid	- 169,102	- 159,745
Actuarial gain/(Loss)	-	-
Fair value of plan assets at the end of theyear	-	-

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	52,962	60,195
decrease by	48,275	54,497

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

increase by	34,851	37,393
decrease by	33,921	36,431

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	7.40%	6.85%
Salary Escalation	5.00%	7.00%
Expected return on plan assets	0.00%	0.00%
Attrition rate	5.00%	5.00%
Average Longevity at retirement age - past service	18.36	20.09
Average age	46.18	48.33

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

Opening value of DBO at the beginning of the year	21,674,335	29,629,280
Current Service Cost	590,259	672,591
Interest Cost	1,477,543	1,864,337
Benefits paid	- 3,415,071	- 4,825,366
Actuarial (Gains)/Loss	- 5,751,071	- 5,666,507
Closing value of DBO at the end of the year	14,575,995	21,674,335

c) Movement in Plan assets during the year

Fair value of plan assets at the beginning	-	-
Interest income of the assets	-	-
Employer contribution	4,825,366	4,825,366
Benefits paid	- 4,825,366	- 4,825,366
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 at the end of the reported:

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

increase by	288,958	510,572
decrease by	269,980	475,738

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

increase by	309,311	526,776
decrease by	294,709	500,780

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 to the defined benefit plan (gratuity - funded) during the next financial year.

35. ADDITIONAL NOTES

	Qty.	Value Rs.	Qty.	Value Rs.
a) Turnover		31.03.2017		31.03.2016
Vitreous China sanitaryware	1993	142,466,022	1901	143,992,253
Traded items				
a) Merchandise Fittings		31,572,923		28,216,427
b) Sanitaryware (in pieces)		2,161,368	664	3,881,179
c) Scrap		838,101		880,233
		177,038,414		176,970,092
b) Raw materials and components consumed				
			MT	
Clay	1,690	8,461,874	1,565	7,023,209
Quartz and Feldspar	1433	4,940,792	1,332	4,759,028
Zirconium O pacifier	10	1,230,960	27	2,812,232
Glazes, Frits and Stains	78	3,655,420	1	952,582
Chemicals and others	1	756,374	78	1,702,634
		19,045,420		17,249,685

	Qty.	Value	Qty.	Value
		Rs.		Rs.
c) Opening and Closing stock of goods produced:				
Finished Goods:				
Opening Stock				
Vitreous china sanitary ware	1238	54,148,746	1,215	57,904,565
Traded items				
a) Merchandise Fittings		5,720,625		6,511,092
b) Sanitary ware (in pieces)		1,152,098	814	1,288,137
		61,021,469		65,703,794
Closing Stock				
Vitreous china sanitaryware	1,123	54,587,017	1,238	54,148,746
Traded items				
a) Merchandise Fittings		5,838,424		5,720,625
b) Sanitaryware (in pieces)		880,638	865	1,152,098
		61,306,079		61,021,469

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		8,750	
Actual Production				
vitreous China Sanitarware	1,878		2,097	

e) Value of Imports calculated on CIF basis :		Rs.		Rs.
Raw materials		-		-
Stores and Spares		-		-
Trading Goods		865,045		-
		865,045		-

f) Expenditure in foreign currency:				
Travelling Expenses		1,402,258		823,113

g) Details regarding consumption of imported and indigenous materials	%	Rs.	%	Rs.
1. Raw Materials & Components				
Imported			-	-
Indigenous	100		100.00	17,249,685
	100	-	100.00	17,249,685
2. Stores & Spare Parts				
Imported			-	-
Indigenous	100		100.00	8,408,949
	100.00	-	100.00	8,408,949
(i) Earnings in Foreign Exchange				
1. Export of goods on FOB basis		Nil		Nil
2. Technical Services		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
Thirukalathiappan, Chief Financial Officer
G Raghavan, Company Secretary

b) Disclosure of Related Party Transactions and Year End Balances

C) Holding Company: Varun Ventures Private Limited

31.03.2018

31.03.2017

Amount in Rs.

Amount in Rs.

Particulars	Nature of Transaction		Nature of Transaction	
	Remuneration	Year End Balance	Remuneration	Year End Balance
Key Management Personnel				
P.Thirukalathiappan, CFO	1,823,986		1,368,000	
G Raghavan, Company Secretary	120,000		120,000	
Directors	Sitting Fees			
Directors have not been paid any sitting fee.				

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

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

39. Earnings Per Share: Basic and Diluted

	31-3-2018	31-3-2017
Profit/(Loss) for the year	- 26,228,653	- 21,860,790
Number of Equity Shares of Rs.10/- each outstanding	10,151,916	10,151,916
Earnings per Share basic and diluted	- 2.58	- 2.15

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 Earnings Per Share.

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

M/S. NEYCER INDIA LIMITED
REGD.OFFICE: NO.145, ST. MARY'S ROAD, ALWARPET, CHENNAI 600 018
PHONE: 044 -45088111
WEBSITE: WWW.NEYCER.IN; E-MAIL: INVESTOR@NEYCER.IN
CIN: L26109TN1960PLC004145.

57th Annual General Meeting on Friday, 28th September, 2018 at 10.00 a.m.

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 57TH Annual General Meeting of the Company to be held on Friday, 28th September, 2018 at 10.00 a.m. at No.145, St. Mary's Road, Alwarpet, Chennai 600 018 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, 2018 including audited Balance Sheet as at 31 March, 2018 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	To re-appoint Mr. Ganapathy Krishnamoorthy as an Independent Director for a further period of 5 years			
4.	To re-appoint Mr. Bachiamme as an Independent Director for a further period of 5 years			

Signed this.....day of..... 2018

Signature of

Member(s):

Signature of Proxy

holder(s):.....

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. 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.

2. For the Resolutions, Statement setting out material facts thereon and notes please refer to the Notice of the 57th Annual General Meeting.

3. 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.

M/S. NEYCER INDIA LIMITED
REGD.OFFICE: NO.145, ST. MARY'S ROAD, ALWARPET, CHENNAI 600 018
PHONE:044 -45088111
WEBSITE: WWW.NEYCER.IN; E-MAIL: INVESTOR@NEYCER.IN
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 57th Annual General Meeting of the Company to be held on Friday, 28th September, 2018 at 10.00 a. m. at No.145, St. Mary's Road, Alwarpet, Chennai 600 018.

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 Ltd.

145, St. Mary's Road, Chennai-600 018,India.
Ph: 044-45088111, Fax: 044-45028222
Web : www.neycer.in