



PROLIFE INDUSTRIES LIMITED

CIN NO: L24231GJ1994PLC022613



ANNUAL REPORT 2017-2018

**PROLIFE INDUSTRIES LIMITED
CIN NO: L24231GJ1994PLC022613**

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PROLIFE INDUSTRIES LIMITED
CIN NO: L24231GJ1994PLC022613

CORPORATE INFORMATION

Board of Directors:

Mr. Manindersingh Satnamsingh Jolly	- Managing Director
Mrs. Anureet Kaur Jolly	- Director
Mr. Arun Siriram Sehgal	- Independent Director
Mr. Yogesh Satyanarayan Pareek	- Independent Director
Mr. Nikunj Soni	- up to 30 th December, 2017
Mr. Naresh Thakkar	- up to 1 st June, 2018

Chief Financial Officer:

Mr. Jayvik Mahendrabhai Soni

Company Secretary & Compliance Officer:

Ms. Darshna N. Maniyar

Statutory Auditors:

M/S. MISTRY & SHAH.
Chartered Accountants
Ahmedabad

Share Transfer Agent:

LINK INTIME INDIA PRIVATE LIMITED
506-508, Amarnath Business Centre-1
(ABC-1), Besides Gala Business Centre
Near XT Xavier's College Corner
Off C G Road, Ellis bridge
Ahmedabad 380006

BANK:

The Jammu and Kashmir Bank
The Axis Bank

Registered Office:

213, G.I.D.C., Panoli
Ankleshwar 394116
Gujarat
India

CIN : L24231GJ1994PLC022613
EMAIL : info@prolifeindustries.in
CONTACT NO. : 02646 272490
WEBSITE : www.prolifeindustries.in

PROLIFE INDUSTRIES LIMITED
CIN NO: L24231GJ1994PLC022613

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of PROLIFE INDUSTRIES LIMITED will be held on Saturday, 29th September, 2018 at 11.00 a.m. at 6,8,10,12 HEXON ARCADE, NR, JAYABEN MODI HOSPITAL, VALIA ROAD, G.I.D.C., ANKLESHWAR- 393002 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon;
2. To declare final dividend on Equity shares for the year 2017-18
3. To appoint a Director in place of Mrs. Anureet Kaur Jolly [DIN:02730332], who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible to offer herself for re-appointment;
4. To appoint statutory auditors of the Company

To Consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to provisions of section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Bihari Shah & Co., Chartered Accountants (Firm Registration Number 119020W) be and are hereby appointed as Statutory Auditors of the Company for a terms of 5 years to hold office from the conclusion of this annual general meeting until conclusion of the sixth annual general meeting to be held in the calendar year 2023 for auditing the accounts of the company for the financial year 2018-19 to 2022-23 at such remuneration as may be mutually agreed between the board of the directors of the company and the auditors.'

SPECIAL BUSINESS:

5. Appointment of Mr. Yogesh Pareek [DIN: 02937854] as an Independent Director.

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

“RESOLVED THAT pursuant to provision of Section 149,152, 161 read with Schedule IV and all other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on June 14, 2018, whose term of office expires at this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from 29th September, 2018 and shall not be retire by rotation. His remuneration will be as per the Companies Act, 2013 and terms and conditions decided by the Board.”

Place: Ankleshwar

Dated: 04.09.2018

By order of the Board of Directors

(Manindersingh Jolly)
Chairman & Managing Director
DIN: 00399467

REGISTERED OFFICE

213, G.I.D.C.,

PANOLI, ANKLESHWAR- 394116cvc

CIN: L24231GJ1994PLC022613

Email Id: info@prolifeindustries.in

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item 5, of the Notice is annexed hereto
2. **A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and a proxy should be a member of the Company.**
3. **Proxies in order to be effective must be lodged at the Registered Office of the Company at least 48 hours before the time of the meeting.**
4. **Members/Proxies should bring the attendance slip duly filled in for attending the Meeting duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.**
5. 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. 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 shareholder.
6. The Notice of AGM along with the Annual Report 2017-2018 is sent to all members via email address registered with the RTA.
7. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2018 to September 29, 2018 (both day inclusive).
8. If the Final Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or before 28th October, 2018 as under:
 - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India)Limited (CDSL) as of the close of business hours on September 22, 2018;
 - ii. To all Members in respect of shares held in physical form if any, after giving effect to valid transfers in respect of transfer requests lodged with the Company if any as of the close of business hours on September 22, 2018.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
10. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements, if any, are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.

11. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
12. All Members are requested to
- Intimate immediately any changes in their address to Company's Registrar and Share Transfer Agent
 - Send all correspondence relating to transfer and transmission of shares to Registrar of shares to Registrar and Transfer Agent and not to the Company. Quote their Folio No. /Client ID No. in their correspondence with the Registrar and Share Transfer Agent.
 - Send their queries related to accounts and operations of the Company at least 10 days in advance so that the required information can be made available at the meeting.
 - Intimate Registrar and Share Transfer Agent Link Intime India Private Limited for consolidation of folios, in case having more than one folio.
 - Bring their copies of annual report and attendance slip with them at the meeting.
 - Members holding shares in dematerialized form are requested to intimate all changes pertaining to their registered email id, bank detail, mandates, nominations, power of attorney etc to their Depository Participants. Changes intimated to the Depository Participants will then be automatically reflected in Company's records which will help the Company and its Registrars and Transfer Agents, M/s Link Intime India Private Limited, to provide efficient and better service to the Members. Members holding share in physical form, if any are requested to advice such changes to the Company's Registrar and transfer agents, M/s Link Intime India Private Limited. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares. Members can contact the Company's Registrar & Transfer Agent, M/s Link Intime India Private Limited.
13. The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs, Government of India, has permitted companies to send official documents to their Members electronically as part of its green initiatives in corporate governance. To support the green initiative of the Ministry of Corporate Affairs, the Notice conveying the AGM, Financial Statements, Directors' Report, Auditors' Report etc. is being sent by electronic mode to those Members whose email addresses are registered with the RTA / Depositories, unless any Member has requested form a physical copy of the same. Members may note that this Notice and the Annual Report 2017-18 will also be available on the Company's website www.prolifeindustries.in.

By order of the Board of Directors

Place: Ankleshwar
Dated: 04.09.2018

(Manindersingh Jolly)
Chairman & Managing Director
DIN: 00399467

REGISTERED OFFICE
213, G.I.D.C.,
PANOLI, ANKLESHWAR- 394116
CIN: L24231GJ1994PLC022613
Email Id: info@prolifeindustries.in

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No.4

M/s Mistry & Shah, Chartered Accountants (Firm Registration Number 122702W) have expressed their unwillingness to continue as a Statutory Auditors of the Company for the remaining period from the conclusion of the ensuing Annual General Meeting.

To appoint Statutory Auditors of the Company due to the resignation of M/s Mistry & Shah, Chartered Accountants the Board of Directors has approached M/s Bihari Shah & Co., Chartered Accountants (Firm Registration Number 119020W), Ahmedabad and they agreed to act as a Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting to the conclusion of the Annual General Meeting to be held in the calendar year 2023.

With respect to the same, M/s Bihari Shah & Co., Chartered Accounts (Firm Registration Number 119020W) have conveyed their consent to be appointed as the Statutory Auditors of the Company along with confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

The Board recommends the Ordinary Resolution set out at item no. 4. None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested, financially or otherwise in the said resolution.

Item No 5

The Board of Directors of the Company appointed, pursuant to the provisions of Companies act 2013 of the Act and the Articles of Association of the Company, Mr. Yogesh Satyanarayan Pareek [DIN: 02937854], as an additional Independent (Non-Executive) Director of the Company with effect from June 14, 2018. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Mr. Yogesh Satyanarayan Pareek [DIN: 02937854] for the office of Independent (Non-Executive) Director in terms of Section 164 of the Act and has given his consent to act as Independent (Non-Executive) Director. Section 149 of the Act inter alia stipulates the criteria of Independence should company propose to appoint an Independent (Non-Executive) Director on its Board. The Company has received a declaration from Mr. Yogesh Satyanarayan Pareek [DIN: 02937854], that he meets with the criteria of Independence as prescribed under section (6) of section 149 of the act.

Mr. Yogesh Satyanarayan Pareek [DIN: 02937854], aged 34 years is Non-Executive & Independent of the Company. He holds Bachelor's degree from Narmada college of Science, Technology & Commerce and Master's in Labour Laws from National Institute of Business Management and having around 14 years of Experience in Media.

The Board recommends the Special Resolution set out at item no. -5. None of the other Directors (except Mr. Yogesh Satyanarayan Pareek)/Key Managerial Personnel of the Company/ their relatives is in any way concerned or interested, Financially or otherwise in the resolution

Place: Ankleshwar
Dated: 04.09.2018

By order of the Board of Directors

(Manindersingh Jolly)
Chairman & Managing Director
DIN: 00399467

REGISTERED OFFICE

213, G.I.D.C.,
PANOLI, ANKLESHWAR- 394116
CIN: L24231GJ1994PLC022613
Email Id: info@prolifeindustries.in

Details of Director Seeking Re-appointment at the Annual General Meeting

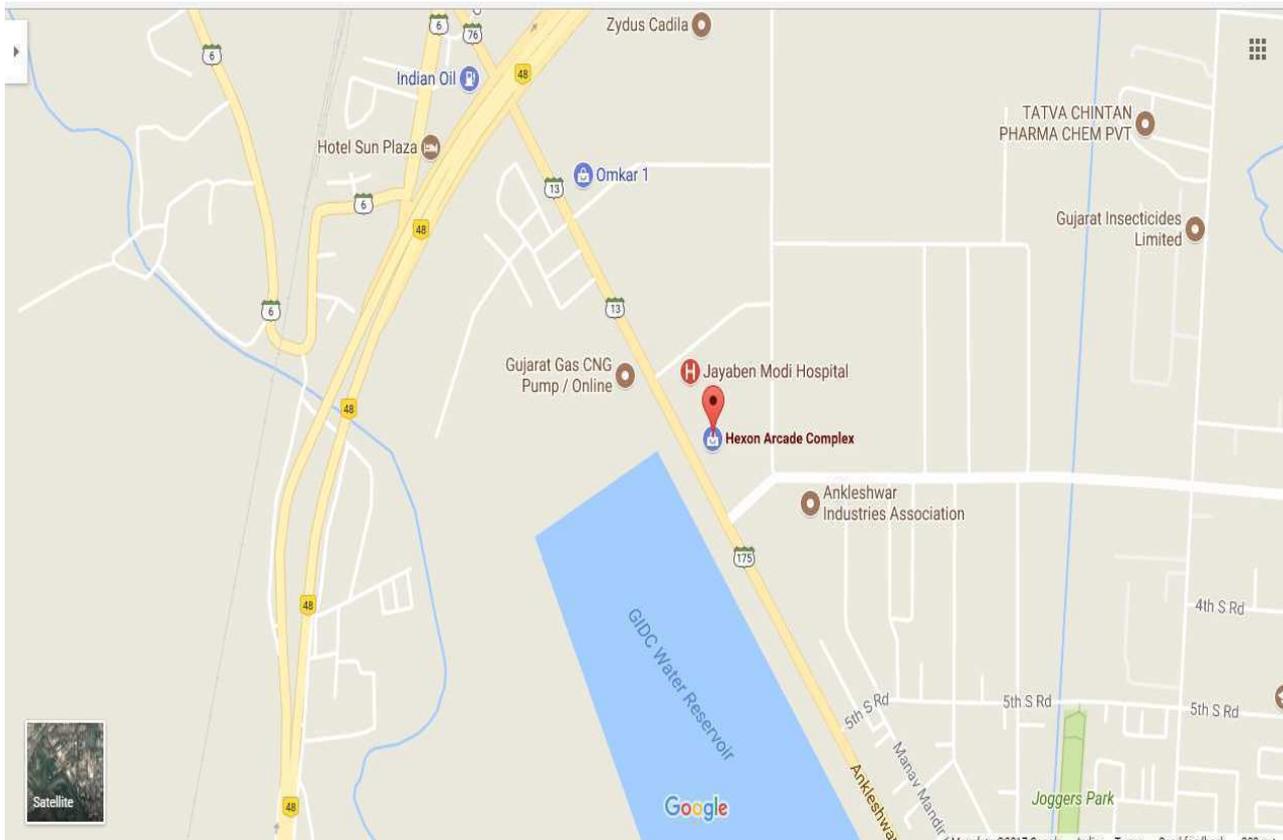
Particulars	Mrs. AnureetKaur Jolly
Date of Birth	18 th May,1967
Date of Appointment	31st October, 2009
Qualifications	Bachelor of Science (B.Sc), Graduate Diploma in Financial Management (PGDFM) and Post Graduate Diploma in System Management (PGDSM) .
Expertise in specific functional areas	Wide experience in chemical business
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	PROLIFE SPECIALITY CHEMICALS LIMITED (Formerly Known as Nem Organics Limited)
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	-
Number of shares held in the Company	10,10,000

For other details such as number of Board meetings attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of Mrs. Anureet Kaur Jolly, please refer to the Director's Report which is part of this Annual Report

PROLIFE INDUSTRIES LIMITED
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Route map of venue of Annual General Meeting of PROLIFE INDUSTRIES LIMITED

Venue: 6,8,10,12 HEXON ARCADE, NR, JAYABEN MODI HOSPITAL, VALIA ROAD, G.I.D.C.,ANKLESHWAR- 393002



PROLIFE INDUSTRIES LIMITED
CIN NO: L24231GJ1994PLC022613

DIRECTORS' REPORT

To
The Members,
Prolife Industries Limited

Your Directors are pleased to present before you the Annual Report together with the audited accounts of the company for the year ended on **31st March, 2018**.

FINANCIAL RESULTS:

The summarized financial results for the year ended 31st March, 2018 are as under:

<i>Particulars</i>	<i>Financial Year 2017-18 (Amount in Rs.)</i>	<i>Financial Year 2016-17 (Amount in Rs.)</i>
Income:		
a) Revenue from Operation	273,128,511.94	271,917,326.00
b) Other Income	2,793,859.64	1,001,241.00
Total Income	275,922,371.58	272,918,567.00
Profit before Depreciation, Interest Charges and Taxation	37,406,245.20	26,024,743.00
Depreciation	8,861,733.00	4,710,935.00
Interest Charges	7,628,875.00	8,062,295.00
Profit/(loss) for year before exceptional item, Prior Period Expense and tax	20,915,637.20	13,251,513.00
Exceptional and extraordinary Income	-	-
Exceptional and extraordinary Expense	-	-
Profit/(loss) for year before tax	20,915,637.20	13,251,513.00
TAX Expenses	5,866,284.00	4,506,829.00
Profit After Tax	15,049,353.20	8,744,684.00

COMPANY'S PERFORMANCE:

During the year under review, the company's net turnover stood at Rs. 275,922,371.58/- while Profit after tax was Rs. 15,049,353.20/- Your Directors are continuously looking for avenues for future growth of the company.

DIVIDEND:

Your directors please to recommend final dividend of Rs. 0.25/-per share Equity Shares of the Company.

TRANSFER TO RESERVES:

The company has not transferred any amount to General Reserve.

DEPOSITS:

Your Company has not accepted deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Hence, the company is not required to comply with the Provision of Section 73 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

CHANGE IN SHARE CAPITAL:

During the year, there is no any change in the equity share capital of the Company.

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

The company has not issued any equity shares with differential voting rights during the Financial year and it is therefore not required to make disclosures specified in Rule 4 (4) of Companies (Share Capital and Debenture) Rules, 2014.

DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES:

The company has not issued any Sweat Equity Shares during the financial year and it is therefore not required to make disclosures specified in Rule 8 (13) of Companies (Share Capital and Debenture) Rules, 2014.

DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTION:

The company has not issued any shares under Employee Stock Option Scheme during the financial year and it is therefore not required to make disclosures specified in Rule 12 (9) of Companies (Share Capital and Debenture) Rules, 2014.

STATEMENT OF UTILIZATION OF ISSUE PROCEEDS:

The company has utilized the issue proceeds as per the purpose mentioned in the Prospectus dated 20th December, 2016. There is no variation in utilization of issue proceeds.

EXTRACT OF ANNUAL RETURN:

The Extract of Annual return in Form No. MGT – 9 pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 as on the financial year ended on March 31, 2018 is annexed herewith as **Annexure I** to this report.

NO. OF BOARD MEETINGS:

During the financial year 2017-18, five board meetings of the Board of Directors of the company were held on 25.04.2017, 26.05.2017, 18.08.2017, 09.11.2017, 09.01.2018.

Pursuant to Section 173(1) of The Companies Act, 2013, there was no gap for more than one hundred and twenty days between two consecutive board meetings.

PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT:

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year, none of the transactions with related parties falls under the scope of section 188(1) of the Act. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure III in Form AOC-2** and the same forms part of this report.

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

The Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, pursuant to Section 134 of the Companies act 2013 read with the Companies (Account) Rules, 2014 are given in **Annexure IV**

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No Significant and material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review, none of the companies has become or ceased to be Company's subsidiaries, joint ventures or associate companies.

REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

During the year under review, none of the companies have become or ceased to be Company's subsidiaries, joint ventures or associate companies, therefore Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies is not require to be given.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to the provision of section 149 of the Companies Act, 2013 Mr. Arun Siriram Sehgal [DIN: 00491163] was appointed as independent Director of the Company at the Annual General Meeting held on 25th September, 2017. He has also submitted declaration he meets each of the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year.

Pursuant to the provision of Section 168 of Companies Act, 2013 Mr. Nikunj Dineshkumar Soni [DIN: 07608605] has resigned from the Directorship of the Company from 30th December, 2017

In accordance with the provisions of Section 152 of the Companies Act 2013 and the Articles of Association of the Company, Mrs. AnureetKaur Jolly [DIN:02730332], Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

DECLARATION BY INDEPENDENT DIRECTOR:

The Company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013 that he meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134 (3) (c) read with section 134 (5) of the Companies Act, 2013, the Board of Directors states:

- 1) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- 3) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) That the Directors have prepared the annual accounts on a going concern basis.

- 5) They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- 6) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES:

During the year under review, the Company had no employee drawing remuneration exceeding the prescribed limits under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

The Company has not received any significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in Future.

INTERNAL FINANCIAL CONTROL SYSTEM:

Your Company has in place adequate internal control systems commensurate with the size of its operations. Internal control systems designed to ensure sound management of your company's operation, safekeeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed by the management.

RISK MANAGEMENT POLICY:

Your company recognizes that risk is an integral part of business and is committed to managing the risks in a pro active and efficient manner. There is no risk which in the opinion of the board may threaten the existence of the company. The company has taken sufficient insurance coverage to safeguard its assets including Inventories, Buildings and Machineries etc.

VIGIL MECHANISM:

The Company has established a vigil mechanism policy and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

AUDIT COMMITTEE:

The company has reconstituted Audit Committee pursuant to section 177 of the Companies Act, 2013 read with rule (6) of the Companies (Meetings of Board and its Powers) Rules, 2014 as on 09.01.2018 due to appointment of Mr. Arun Sehgal and resignation of Mr. Nikunj Soni as Director of the Company. The Committee reconstituted with the following member.

Sr. No	Board of Director	Designation	Nature of Directorship
1	Nareshbhai Vanmalidas Thakkar	Chairperson	Non Executive and Independent director
2	Arun Sehgal	Member	Non Executive and Independent director
3	AnureetKaur Jolly	Member	Non-Executive and Non-Independent director

During the year under review, five meetings of Audit Committee were held on 25.04.2017, 26.05.2017, 18.08.2017, 09.11.2017 and 09.01.2018.

NOMINATION AND REMUNERATION COMMITTEE:

The company has reconstituted Nomination and Remuneration Committee pursuant to section 178 of the Companies Act, 2013 read with rule (6) of the Companies (Meetings of Board and its Powers) Rules, 2014 as on 09.01.2018 due to appointment of Mr. Arun Sehgal and resignation of Mr. Nikunj Soni as Director of the Company.. The Committee reconstituted with the following member.

Sr. No	Board of Director	Designation	Nature of Directorship
1	AnureetKaur Jolly	Chairperson	Non Executive and Non Independent director
2	Nareshbhai Vanmalidas Thakkar	Member	Non Executive and Independent director
3	Arun Sehgal	Member	Non Executive and Independent director

During the year under review, five meetings of Nomination and Remuneration Committee were held on 25.04.2017, 26.05.2017, 18.08.2017, 09.11.2017 and 09.01.2018.

STAKEHOLDER RELATIONSHIP COMMITTEE:

The company has reconstituted Stakeholder Relationship Committee pursuant to section 178 of the Companies Act, 2013 read with rule (6) of the Companies (Meetings of Board and its Powers) Rules, 2014 as on 09.01.2018 due to appointment of Mr. Arun Sehgal and resignation of Mr. Nikunj Soni as Director of the Company. The Committee reconstituted with the following member.

Sr. No	Board of Director	Designation	Nature of Directorship
1	AnureetKaur Jolly	Chairperson	Non Executive and Non Independent director
2	Nareshbhai Vanmalidas Thakkar	Member	Non Executive and Independent director
3	Arun Sehgal	Member	Non Executive and Independent director

During the year under review, five meetings of Stakeholder Relationship Committee were held on 25.04.2017, 26.05.2017, 18.08.2017, 09.11.2017 and 09.01.2018.

BOARD EVALUATION:

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (“SEBI Listing Regulations”). The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive

contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role. In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the Independent director being evaluated.

CORPORATE GOVERNANCE:

Pursuant to Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, provisions of Corporate Governance are not applicable to the company as it is listed to SME Platform of NSE.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Your Directors state that during the year under review, there were no reported cases falling within the purview of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

SECRETARIAL AUDIT REPORT:

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mr. Amit Patel Practicing Company Secretary, Ahmedabad (CP No. 15068) as Secretarial Auditor of the Company for the F.Y. 2017-18. Hence, The Company has obtained Secretarial audit report from Mr. Amit Patel, Practicing Company Secretary, Ahmedabad (CP No. 15068) which is enclosed as **Annexure II** to this report. The report is self-explanatory and do not call for any further comments.

STATUTORY AUDITORS:

M/s Mistry & Shah, Chartered Accountants (Firm Registration Number 122702W) have expressed their unwillingness to continue as a Statutory Auditor of the Company for the remaining period from the ensuing Annual General Meeting. Due to resignation of M/s Mistry & Shah, Chartered Accountants, the Board approached M/s Bihari Shah & Co., Chartered Accountant and they agreed to act as a Statutory Auditor of the Company from the conclusion of the ensuing Annual General Meeting to the conclusion of the Annual General Meeting to be held in the calendar year 2023 for auditing the annual accounts of the company for the financial year 2018-19 to 2022-23. Accordingly, requisite resolutions for the appointment of M/s Bihari Shah & Co., Chartered Accountants as statutory auditor of the company forms part of the notice conveying the Annual General Meeting.

The comments in the Auditors report with notes on accounts are self-explanatory and therefore do not call for any further explanation.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to thank all the stakeholders, Investors, Clients, Banks, Government, Regulatory Authorities and Stock Exchange for their continued support and to place on record the appreciation of the valuable contribution and dedication shown by the employees of the Company, RTA, Auditors and Practicing Company Secretary which have contributed to the successful management of the Company's affairs.

Place: Ankleshwar

Dated: 04.09.2018

By order of the Board of Directors

(Manindersingh Jolly)

Chairman & Managing Director

DIN: 00399467

REGISTERED OFFICE

213, G.I.D.C., PANOLI,
ANKLESHWAR- 394116
CIN: L24231GJ1994PLC022613
Email Id: info@prolifeindustries.in

ANNEXURE - I

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- | | | |
|------|--|---|
| i. | CIN | : L24231GJ1994PLC022613 |
| ii. | Registration Date | : 27/07/1994 |
| iii. | Name of the Company | : PROLIFE INDUSTRIES LIMITED |
| iv. | Category / Sub-Category
of the Company. | : Company Limited By Shares /
Indian Non Government Company |
| v. | Address of the registered office
and contact details | : 213,G.I.D.C. PANOLI ANKLESHWAR
GUJARAT 394116
Tel - 02646 272490 |
| vi. | Whether listed company | : Yes |
| vii. | Name, Address and Contact details
of Registrar and Transfer Agent, if any | : Link Intime India Private Limited.
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400083
Tel - 022 4918 6270
Fax - 022 4918 6060 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main Products/ Services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of other chemical products	202	100

Note: NIC code of product is as per National Industrial Classification, 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name of the Company	Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NOT APPLICABLE						

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A: Promoters									
(1) Indian:									
a) Individual/ HUF	2972080	-	2972080	72.59	2972080	-	2972080	72.59	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2000		2000	0.05	2000		2000	0.05	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
Sub - Total (A) (1)	2974080	-	2974080	72.64	2974080	-	2974080	72.64	-
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any other...	-	-	-	-	-	-	-	-	-
Sub - Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A)(1) + (A)(2)	2974080	-	2974080	72.64	2974080	-	2974080	72.64	-
B: Public Shareholding									
1 Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub - Total (B) (1)	-	-	-	-	-	-	-	-	-
2 Non-institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	231000	-	231000	5.64	156000	-	156000	3.81	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
I) Individual shareholders holding nominal share capital up to Rs. 1 lakh	400012	-	400012	9.78	340000	-	340000	8.31	-
II) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	255000	-	255000	6.23	384000	-	237000	9.38	-
c) Others	-	-	-	-	-	-	-	-	-

(c-i) NRIs (Repatriation)	-	-	-	-	-	-	-	-	-
(c-ii) NRIs (Non-repat.)	-	-	-	-	-	-	-	-	-
(c-iii) Foreign Companies	-	-	-	-	-	-	-	-	-
Clearing member	47988	-	47988	1.17	90000	-	90000	2.20	-
HUF	186000	-	186000	4.54	150000	-	150000	3.66	-
Trust	-	-	-	-	-	-	-	-	-
Sub - Total (B) (2)	-	-	-	-	-	-	-	-	-
Total public shareholding (B) = (B) (1) + (B)(2)	1120000	-	1120000	27.36	1120000	-	1120000	27.36	-
C: Shares Held By Custodian For GDRS & ADRS	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	4094080	-	4094080	100	4094080	-	4094080	100	-

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Manindersingh Satnamsingh Jolly	1082200	26.43	-	1082200	26.43	-	-
2	Anureetkaur Jolly	1010000	24.67	-	1010000	24.67	-	-
3	Karan Manindersingh Jolly	401000	9.79	-	401000	9.79	-	-
4	Harpreeetsingh Satnamsingh Jolly	288880	7.06	-	288880	7.06	-	-
5	NirmalSingh Maunder	190000	4.64	-	190000	4.64	-	-
6	Prolife Bio-Chemical Industries Private Limited	2000	0.05	-	2000	0.05	-	-

iii. Change in Promoters' Shareholding*:NA

SL. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2017		Date	Reason	Increase/ Decrease in Shareholding	Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company

*: Shareholding of Promoters includes shareholding of promoter and promoter Group.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):-

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decreases shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares the company
1	Darshan Orna Limited	21000	0.5129	30.06.2017	69000	Transfer	90000	2.1983
2	Prabhat Financial Services Limited	0	0	07.04.2017	96000	Transfer	96000	2.3448
				19.05.2017	9000	Transfer	105000	2.5647
				09.06.2017	3000	Transfer	108000	2.6380
				16.06.2017	9000	Transfer	117000	2.8578
				23.06.2017	3000	Transfer	120000	2.9311
				30.06.2017	(24000)	Transfer	96000	2.3448
				07.07.2017	3000	Transfer	99000	2.4181
				14.07.2017	18000	Transfer	117000	2.8578
				18.08.2017	12000	Transfer	129000	3.1509
				22.09.2017	24000	Transfer	153000	3.7371
				29.09.2017	(12000)	Transfer	141000	3.4440
				06.10.2017	(6000)	Transfer	135000	3.2974
				13.10.2017	(66000)	Transfer	69000	1.6854
				03.11.2017	3000	Transfer	72000	1.7586
				17.11.2017	3000	Transfer	75000	1.8319
				24.11.2017	(15000)	Transfer	60000	1.4655
				08.12.2017	(3000)	Transfer	57000	1.3923
				30.12.2017	(3000)	Transfer	54000	1.3190
				12.01.2018	(15000)	Transfer	39000	0.9526
19.01.2018	(3000)	Transfer	36000	0.8793				
23.03.2018	21000	Transfer	57000	1.3923				
31.03.2018	15000	Transfer	72000	1.7586				
3	Heena Mukesh Mehta	12000	0.2931	28.04.2017	36000	Transfer	48000	1.1724
				05.05.2017	3000	Transfer	51000	1.2457
				12.05.2017	3000	Transfer	54000	1.3190
				08.12.2017	3000	Transfer	57000	1.3923
				22.12.2017	6000	Transfer	63000	1.5388
				02.02.2018	3000	Transfer	66000	1.6121
				23.02.2018	3000	Transfer	69000	1.6854
4	Kushal Jayesh Khandwala	54000	1.3190	-	-	-	54000	1.3190

5	Veeram Ornaments Limited	21000	0.5129	29.09.2017	24000	Transfer	45000	1.0991
6	Sidharth Samyak Gadhaiya Huf .	39000	0.9526	10.01.2017	36000	Transfer	36000	0.8793
7	Chaitali Pankajbhai Patel	0	0	14.07.2017	36000	Transfer	36000	0.8793
				31.03.2018	3000	Transfer	39000	0.9526
8	Ram Babu Kabra Huf	0	0	29.09.2017	36000	Transfer	36000	0.8793
9	Abhishek Parwal	0	0	13.10.2017	27000	Transfer	27000	0.6595
10	Richa Parwal	0	0	13.10.2017	27000	Transfer	27000	0.6595

v. Shareholding of Directors and Key Managerial Personnel: -

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares				No. of shares	% of total shares
1	Manindersingh Satnamsingh Jolly	1082200	26.43	-	-	-	1082200	26.43
2	Anureetkaur Jolly	1010000	24.67	-	-	-	1010000	24.67

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	-	67,263,091.00	-	67,263,091.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	67,263,091.00	-	67,263,091.00
Change in Indebtedness during the financial year:				
* Addition	-	-	-	-
* Reduction	-	99,33,034.00	-	99,33,034.00
Net Change	-	99,33,034.00	-	99,33,034.00
Indebtedness at the end of the financial year:				
i) Principal Amount	-	57,330,057.00	-	57,330,057.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	57,330,057.00	-	57,330,057.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Manindersingh Jolly		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	500000		500000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission - as % of profit - others, specify...	-		-
5	Others, please specify	-		-
	Total (A)	500000		500000

B. Remuneration to other directors: No Remuneration or sitting fees are paid.

Sl. No.	Particulars of Remuneration	Name of Director		Total Amount
		Naresh Thakkar	Arun Sehgal	
1	Independent Directors :			
	Fee for attending board /committee meetings	-	-	-
	Commission	-	-	-
	Others	-	-	-
	TOTAL (1)	-	-	-
2	Other Non-Executive Directors :			
	Fee for attending board /committee meetings	-	-	-
	Commission	-	-	-
	Others	-	-	-
	TOTAL (2)	-	-	-
	TOTAL B = (1+2)	-	-	-
	TOTAL MANAGERIAL REMUNERATION	-	-	-
	Overall Ceiling as per the Act	-	-	-

C. Remuneration To Key Managerial Personnel other than MD/Manager/Whole Time Director:

SI. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO (N.A.)	CFO	CS	Total Amount
1	Gross salary	-	570000	272800	842800-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	570000	272800	842800

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable

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	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B.DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE - II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of
The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
PROLIFE INDUSTRIES LIMITED
213, G.I.D.C. PANOLI,
ANKLESHWAR – 394 116

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Prolife Industries Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company as per Annexure A for the Financial Year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the audit period)

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the audit period)
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that having regard to the compliance system prevailing in the company and on examination of relevant documents and records in pursuance thereof, on test check basis, the company has generally complied with other laws identified by the management as applicable specifically to the company broadly covering Laws relating to chemical Industries.

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (d), (e) (g) and (h) of Para (v) mentioned herein above during the period under review.

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

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

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under the laws and regulations applicable to the Company as referred hereinabove and verification of documents and records on test check basis.

I further report that the compliance by the company of the direct and indirect tax laws has not been reviewed during this audit as the same had been subject to review by the statutory financial audit and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Decisions at the Board Meetings were taken either unanimously or with majority.

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

Place: Ahmedabad

Date: September 04, 2018

Name of Company Secretary : Amit Patel

Company Secretary

FCS No. 8291 CP. No. 15068

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

ANNEXURE - A

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Companies Act and rules made there under viz.
 - Register of Directors & KMP
 - Register of Directors' Shareholding
 - Register of loans, guarantees and security and acquisition made by the Company
 - Register of Members
 - Periodical BENPOS, Registers of Demat/Remat and records made available from RTA
5. Agenda papers relating to the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and 184 of the Companies Act, 2013.
7. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the period under report.
8. Intimations/ documents/ reports/ returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the period under report.
9. Communications/ Letters issued to and acknowledgements received from the Independent directors for their appointment
10. Various policies framed by the company from time to time as required under the Companies Act as well as listing agreement/SEBI Regulations.

ANNEXURE - B

To,
The Members
PROLIFE INDUSTRIES LIMITED
213, G.I.D.C. PANOLI,
ANKLESHWAR – 394 116

Sir,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2018

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Ahmedabad

Date: September 04, 2018

Name of Company Secretary: Amit Patel

Company Secretary

FCS No. 8291 CP. No. 15068

ANNEXURE - III

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm's length basis:** Prolife Industries Limited has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during FY 2017-18.
 - i. Name(s) of the related party and nature of relationship: Not Applicable
 - ii. Nature of contracts/arrangements/transactions: Not Applicable
 - iii. Duration of the contracts / arrangements/transactions: Not Applicable
 - iv. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - v. Justification for entering into such contracts or arrangements or transactions: Not Applicable
 - vi. Date(s) of approval by the Board: Not Applicable
 - vii. Amount paid as advances, if any: Not Applicable
 - viii. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. Details of contracts or arrangements or transactions at Arm's length basis:

Name (s) of the related party	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date(s) of approval by Board	Amount paid as advances, if any
Shraddha Finechem Private Limited	Sale of goods	12 months	18,478,508	April 25, 2018	
	Raw Material Purchased	12 months	9,792,215	April 25, 2018	
Prolife Bio-Chemical Industries Private Limited	Sale of Goods	12 months	35,730,437	April 25, 2018	
	Raw Material Purchased	12 months	51,245,786	April 25, 2018	
Goldstar Chemicals Private Limited	Sales of Goods	12 months	34,049,029	April 25, 2018	
	Raw Material Purchased	12 months	5,038,600	April 25, 2018	
J.S. Chemical	Sales of Goods	12 months	2,419,000	April 25, 2018	
Prolife Specialty Chemical Limited	Raw Material Purchased	12 months	30,906,913	April 25, 2018	
Prolife Communication Pvt Ltd	Expenditures		11,000	April 25, 2018	

By order of the Board of Directors

**Place: Ankleshwar
Dated: 04.09.2018**

**(Manindersingh Jolly)
Chairman & Managing Director
DIN: 00399467**

REGISTERED OFFICE
213, G.I.D.C., PANOLI,
ANKLESHWAR- 394116
CIN: L24231GJ1994PLC022613
Email Id: info@prolifeindustries.in

ANNEXURE: IV

TO THE DIRECTORS' REPORT FOR THE YEAR 2017-2018

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

(a) CONSERVATION OF ENERGY

(i)	the steps taken or impact on conservation of energy	-
(ii)	the steps taken by the company for utilizing alternate sources of energy	-
(iii)	the capital investment on energy conservation equipment's	-

(b) TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	-
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	-
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	-
	(a) the details of technology imported	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	the expenditure incurred on Research and Development	-

(c) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the total foreign exchange used and the total foreign exchange earned are as under

Total Foreign Exchange earned in actual	Rs. 138,365,203.00/-
Total Foreign Exchange used in actual	-
Total Imported Goods	Rs. 13,014,211.30/-

By order of the Board of Directors

**Place: Ankleshwar
Dated: 04.09.2018**

**(Manindersingh Jolly)
Chairman & Managing Director
DIN: 00399467**

REGISTERED OFFICE
213, G.I.D.C., PANOLI,
ANKLESHWAR- 394116
CIN: L24231GJ1994PLC022613
Email Id: info@prolifeindustries.in

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

BUSINESS OVERVIEW:

Our Company was incorporated as Mamta Dyes and Intermediaries Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated July 27, 1994 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to Mamta Dyes and Intermediaries Limited and fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, the name of our Company was changed to R R J-Dyes and Intermediates Limited vide fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Later on the name of the company was changed to Prolife Industries Limited and fresh certificate of Incorporation dated March 7, 2013 pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

Our company is engaged in the business of manufacturing special and exclusive range of intermediates for dyes, pigments, pharmaceuticals, agrochemicals and others. The company originally founded in the year 1994 in the name of Mamta Dyes & Intermediates Private Ltd and has been in this Industry from the very inception. Company has established even its own Research & Development Department within few years of incorporation of the company. It has already succeeded in developing very high quality Specialty Chemicals as result of thorough knowledge and R & D efforts of the Chairman and Managing Director of the company who has sound knowledge as well as vast experience of two decades in the chemical industry. The company has established its presence in domestic as well export market and are regularly catering to the needs of their customers in many countries including U.S.A, Spain, Switzerland, Germany, France, Taiwan, Japan, Germany, Brazil etc.

REVIEW OF BUSINESS:

During the year under review, the profit after tax for the year ended 31st March, 2018 is Rs. 15,049,353.20 as against Rs. 8,744,684 in the previous year showing growth of 72.10%

KEY FACTORS AFFECTING THE RESULTS OF OPERATION:

The Company's future results of operations could be affected potentially by the following factors:

- Political Stability of the Country.
- World Economy.
- Government policies for the capital markets.
- Investment Flow in the country from the other countries.
- Government policy for textile sector.
- Competition from existing players:
- Company's ability to successfully implement our growth strategy
- The loss of shutdown of operations of our Company at any time due to strike or labour unrest or any other reasons,
- Loss due to delay in execution of projects in time

OUR COMPETITIVE STRENGTH

i. Experienced management team and motivated employee

We have a highly experienced and qualified management team. Our MD is professionally qualified person having sound knowledge and vast experience of more than two decades in chemical industry. Our Management is backed by motivated staff that is instrumental in our business growth

ii. Well equipped Research and Development facility

We have well equipped research and Development facility to improve quality of the products and to produce high performance chemicals. Company has in house sound R&D Department backed by technical expertise of our Managing Director Mr. Maninder Singh Jolly, which helps the company to enhance our product range.

iii. Established vast Domestic as well as Export market

The company is catering the customers both in domestic market as well as overseas market. The company is catering the needs of customers with its high quality customized products as per the specific requirements of buyers located in U.S.A, Spain, U.K., Switzerland, Germany, Italy, Hong Kong, Japan, Brazil etc. The company is selling its product to internationally renowned companies.

iv. Continuous Innovation of Products and diverse products

The management is of the opinion that in order to be successful and competitive in the market, the company needs to be innovative. We offer special and exclusive range of intermediates for dyes, pigments, pharmaceuticals agrochemicals and others. Such diverse product mix helps us to cater the diverse customer segments and to various sectors of Industry. The product mix helps us to sustain the growth level. Over the years we have developed various products which is used by Pharmaceutical Industry, Chemical industry, Packaging / FMCG Industry, agro-chemical industry.

v. Modern Infrastructure and Integrated Facilities

The unit is located in Panoli Industrial Estate, Tal. Ankleshwar, Dist Bharuch. The Industrial estate is developed by GIDC and enjoys good infrastructure like electricity, water, roads, labour, raw material suppliers and market for finished products which has a vital demand in the market & with this scenario we are concentrating on expanding the production capacity and new product range.

OUR BUSINESS STRATEGY

i. Enhanced product range through emphasis on R&D

We intend to strengthen our Research and Development department to enhance the product range and improve the quality of the products and achieve the cost reduction by utilizing the improved method of production. In keeping with this philosophy, we will focus on increasing our customer base of our products, give them a platform of choice to transact and support them with quality research as well as on capturing the significant growth opportunities across the spectrum.

ii. Broad basing our Overseas reach

The company is engaged in manufacture and development of various kinds of Dyes & Intermediates. The main end product of the company is Naphthalene based Dyes & Intermediates which are being sold to well known multinational trading houses in various countries like U.S.A, Spain, Switzerland, Germany, France, Taiwan, Japan, Germany, Brazil, Pakistan etc. The company is manufacturing one exclusive product namely Violet Acid which is in demand all over the world. The Company is planning to expand their business area which turns into higher demand and sales of products manufactured by the company in various countries of the world.

iii. Maintain and expand long-term relationships with clients

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that a long-term client relationship with large clients fetches better dividends. Long-term relations are built on trust and continuous maintaining of the requirements of the customers. It forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely.

iv. Optimal Utilization of Resources

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We regularly analyze our existing material procurement policy and manufacturing process to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

ACHIEVEMENTS

We have got the shares of our company listed on SME platform of NSE Limited pursuant to an Initial Public Offer of the company. Our issue was oversubscribed by 4.3216 times during this volatile market. Investors have shown great faith in the management and working of our company.

RISK AND RISK MITIGATION

i. Financial Risks

The Company's policy is to actively manage its foreign exchange risk within the framework of Forex policy. An interest rate fluctuation, the Company has adopted a prudent and conservative risk mitigation strategy to minimize interest costs.

ii. Price Risks

Adverse Fluctuations in the price and availability of raw material could increase input costs which may affect the operation of the company and thereby affect the profitability of the Company .The Company proactively manages these risks through forward booking, inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk.

iii. Regulatory Risks

The Company is exposed to risks attached to various statutes and regulations. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

INTERNAL FINANCIAL CONTROL SYSTEM:

The Company has in place adequate internal control systems commensurate with the size of its operations. Internal control systems are designed to ensure sound management of your company's operation, safekeeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. It clearly defines roles and responsibilities have been institutionalized. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations

HUMAN RESOURCE

The Company firmly believes that Human resource is an asset to any industry, sourcing and managing. The Company believes that employees are the key to the success of our business. The Company focuses on hiring and retaining employees and workers who have prior experience in the chemical Industry. The Management views this process as a necessary tool to maximize the performance of our employees. The Company has not experienced any strikes, work stoppages, labour disputes or actions by or with our employees, and The Company have cordial relationship with our employees.

CAUTIONARY STATEMENT

Statements in this management discussion and analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' based on the plan and assumptions of the management. Actual results might differ substantially or materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent development, information or event.

Place: Ankleshwar
Dated: 04.09.2018

By order of the Board of Directors

(Manindersingh Jolly)
Chairman & Managing Director
DIN: 00399467

REGISTERED OFFICE
213, G.I.D.C., PANOLI,
ANKLESHWAR- 394116
CIN: L24231GJ1994PLC022613
Email Id: info@prolifeindustries.in

INDEPENDENT AUDITORS' REPORT

To the Members of Prolife Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Prolife Industries Limited (CIN : L24231GJ1994PLC022613) ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, as applicable.

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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under section 143 (11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March, 2018 and its Profit and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", statement on the matters specified in the paragraph 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, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable;

(e) On the basis of the written representations received from the directors as on 31 March,2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March,2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i.The Company has disclosed the impact of pending litigations on its financial position in its financial statements in accordance with the generally accepted accounting practice – also refer Note 3.26 to the financial statements;

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.

For, Mistry & Shah
Chartered Accountants
F.R.N: - 122702W

Ketan Mistry
Partner
M.NO. 112112

Date: May 30, 2018
Place: Ahmedabad

“Annexure A” to the Independent Auditors’ Report

(The Annexure referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of our report on even date)

Report on Companies (Auditor’s Report) Order, 2016 (‘the Order’) issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 (‘the Act’) of Prolife Industries Limited (‘the Company’)

(i) In respect of the Company’s Fixed Assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;

(b) The Fixed Assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date except stated below. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

Further, we report the following:-

- Office at Thailand is in the name of Director of the Company, Mr. Maninder Singh Jolly.

(ii) The management has conducted the physical verification of inventory at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.

- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grants of loans, making investments and providing guarantees, as applicable.

- (v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable.

- (vi) Reporting under clause 3(vi) of the order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.

- (vii) According to information and explanations given to us in respect of statutory dues the
 - (a) Company has not been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Custom Duty, Excise Duty, Value added Tax, Cess, Goods and Services Tax and any other material statutory dues to the appropriate authorities.

 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Goods and Services Tax and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

 - (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Value Added Tax and Goods and Services Tax which have not been deposited as on March 31, 2018 on account of dispute are given below: -

Name of Statute	Nature of the Dues	Forum where dispute is pending	Amount (In Rs. in Lakhs)	Amount paid under Protest	Period to which the amount relates
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	4.79	0.72	2013-14
The Income Tax Act, 1961	Tax Deducted at Source	Income Tax Officer, TDS, Ahmedabad	3.39	-	2009-10 to 2017-18
AA,DGFT	Export Obligation	Jt. Director General of Foreign Trade	3.16	-	2001-02

Disputed Amount relating to Income Tax pending at forum Income Tax Appellate Tribunal, Ahmedabad for Financial Year 2010-11 amounting to Rs.11.31 Lakhs was under protest and decision of same came in favour of the Company. Hence, amount is no more a disputed liability.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loan or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards (refer note no. 3.34)
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For, Mistry & Shah
Chartered Accountants
F.R.N: - 122702W

Ketan Mistry
Partner
M.NO. 112112

Date: May 30, 2018
Place: Ahmedabad

“Annexure B” to the Independent Auditor’s Report

(The Annexure referred to in Paragraph 2(f) under “Report on Other Legal and Regulatory Requirements” section of our report on even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Prolife Industries Limited (CIN: L24231GJ1994PLC022613) (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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.

For, Mistry & Shah
Chartered Accountants
F.R.N: - 122702W

Ketan Mistry
Partner
M.NO. 112112

Date: May 30, 2018
Place: Ahmedabad

Balance Sheet As At March 31, 2018

In ₹

Particulars	Note No.	As At March 31,	
		2018	2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3.1	40,940,800.00	40,940,800.00
(b) Reserves and Surplus	3.2	59,950,590.33	45,886,773.13
		100,891,390.33	86,827,573.13
Non-Current Liabilities			
(a) Long-Term Borrowings	3.3	57,330,057.00	67,263,091.00
(b) Deferred Tax Liabilities (Net)		14,104.35	-
(c) Other Long Term Liabilities	3.4	2,700,000.00	2,700,000.00
(d) Long Term Provisions	3.5	831,181.00	866,173.00
		60,875,342.35	70,829,264.00
Current Liabilities			
(a) Short-Term Borrowings	3.6	(9,101,539.56)	(16,610,501.00)
(b) Trade Payables	3.7		
Micro, Small and Medium Enterprise		-	-
Others		54,791,045.81	41,159,870.00
(c) Other Current Liabilities	3.8	1,010,993.00	1,141,473.00
(d) Short Term Provision	3.9	2,741,985.00	1,932,371.00
		49,442,484.25	27,623,213.00
Total		211,209,216.93	185,280,050.13
ASSETS			
Non-Current Assets			
(a) Fixed Assets	3.10		
Tangible Assets		70,404,702.00	55,878,650.00
Intangible Assets			
Capital Work-in-Progress		-	5,314,070.00
Intangible Assets Under Development			
(b) Non-Current Investments	3.11	37,399,780.75	25,321,940.00
(c) Deffered Tax Asset		-	450,170.00
(d) Long-Term Loans and Advances	3.12	25,137,670.08	12,429,434.00
(e) Other Non-Current Assets			
		132,942,152.83	99,394,264.00
Current Assets			
(a) Current Investment	3.13	5,462,435.45	15,096,140.00
(b) Inventories	3.14	34,306,376.00	24,658,718.00
(c) Trade receivables	3.15	28,375,091.73	42,823,541.00
(d) Cash and Cash Equivalents	3.16	9,910,710.25	2,858,540.13
(e) Short Term Loans and Advance	3.17	1.67	230,424.00
(f) Other Current Assets	3.18	212,449.00	218,423.00
		78,267,064.10	85,885,786.13
Total		211,209,216.93	185,280,050.13

Corporate Information 1
Significant Accounting Policies 2
Notes On Financial Statements 3

As per our report of even date

For and on behalf of the Board

For Mistry & Shah
Chartered Accountants
FRN:122702W

Manindersingh Jolly
Managing Director
DIN:00399467

Anureet Kaur Jolly
Director
DIN:02730332

Ketan Mistry
Partner
M. No. 112112

Darshana Maniyar
Company Secretary
M. No: A45578

Jayvik Soni
CFO

Place : Ahmedabad
Date : May 30, 2018

Place : Ankleshwar
Date : May 30, 2018

PROLIFE INDUSTRIES LIMITED

CIN NO: L24231GJ1994PLC022613



Statement Of Profit & Loss For The Year Ended 31st March, 2018

In ₹

Particulars	Note No.	Year Ended March 31,	
		2018	2017
Income :			
Revenue from Operations	3.19	273,128,511.94	271,917,326.00
Other Income	3.20	2,793,859.64	1,001,241.00
		275,922,371.58	272,918,567.00
Expenditure :			
Cost of Materials Consumed	3.21	197,102,730.47	207,851,509.00
Change in Inventories	3.22	(4,958,290.23)	1,599,200.00
Employee Benefit Expenses	3.23	11,812,694.00	9,217,027.00
Finance Costs	3.24	7,663,974.00	8,185,624.00
Depreciation & Amortisation	3.10	8,861,733.00	4,710,935.00
Other Expenses	3.25	34,523,893.14	28,102,759.00
		255,006,734.38	259,667,054.00
Profit before Exceptional and Extraordinary Items		20,915,637.20	13,251,513.00
Exceptional Items		-	-
Profit before Extraordinary Items and Tax		20,915,637.20	13,251,513.00
Extraordinary Items		-	-
Profit Before Tax		20,915,637.20	13,251,513.00
Tax Expenses			
Current Tax		(5,402,010.00)	(5,088,179.00)
Deferred Tax		(464,274.00)	581,350.00
Profit after tax for the year		15,049,353.20	8,744,684.00
Earnings per Equity Share			
-Basic		3.68	2.71
-Diluted		3.68	2.71

Corporate Information	1
Significant Accounting Policies	2
Notes On Financial Statements	3

As per our report of even date

For and on behalf of the Board

For Mistry & Shah
Chartered Accountants
FRN:122702W

Manindersingh Jolly
Managing Director
DIN:00399467

Anureet Kaur Jolly
Director
DIN:02730332

Ketan Mistry
Partner
M. No. 112112

Darshana Maniyar
Company Secretary
M. No: A45578

Jayvik Soni
CFO

Place : Ahmedabad
Date : May 30, 2018

Place : Ankleshwar
Date : May 30, 2018

Cash Flow Statement For The Year Ended March 31, 2018

In ₹

Sr.No	PARTICULARS	Year Ended March 31,	
		2018	2017
1	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	Net Profit (Loss) As per Profit & Loss Account	15,049,353.20	8,744,684.00
a	Tax and Extra-Ordinary Item		
	Income Tax	5,402,010.00	5,088,179.00
	Deffered Tax	464,274.00	(581,350.00)
	Net Profit (Loss) before tax	20,915,637.20	13,251,513.00
b	Adjustments:-		
	Interest and finance cost	7,663,974.00	8,185,624.00
	Depreciation	8,861,733.00	4,710,935.00
	Interest Income	(294,602.45)	(267,199.00)
	Dividend income	-	-
	Operating profit(loss) before working capital changes	37,146,741.75	25,880,873.00
c	Adjustments:-		
	Decrease/(Increase) in Trade Receivables	14,448,449.27	(4,114,884.00)
	(Decrease)/Increase in Trade Payables	13,631,175.81	8,917,744.00
	(Decrease)/Increase in Short term Borrowings	7,508,961.44	(34,535,751.00)
	(Decrease)/Increase in Other Current liabilities	(130,480.00)	(68,440.00)
	(Decrease)/Increase in Short term Provision	809,614.00	722,247.88
	Decrease/(Increase) in Inventories	(9,647,658.00)	7,718,789.00
	Decrease/(Increase) in Other Current Asset	5,974.00	(211,600.00)
	Net Cash Flow before tax and extra ordinary item	63,772,778.27	4,308,978.88
	Direct Taxes Paid	(5,402,010.00)	(5,088,179.00)
	Less: Extraordinary Items	-	-
	Net Cash Flow from Operating Activities	58,370,768.27	(779,200.12)
2	<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>		
a	Acquisition of Fixed Assets	(30,634,539.00)	(28,172,092.00)
b	Sale of Fixed Assets	12,560,824.00	-
c	Dividend received	-	-
d	Interest Income	294,602.45	267,199.00
e	Decrease/(Increase) in Non Current Investment	(12,077,840.75)	2,814,259.95
f	Decrease/(Increase) in Long term loan and advances	(12,708,236.08)	1,475,684.32
g	Decrease/(Increase) in Other Non Current Asset	-	(15,096,140.00)
h	Decrease/(Increase) in Short term loans and advances	230,422.68	-
i	Decrease/(Increase) in Other Non Current Asset	-	5,952,973.00
	Decrease/(Increase) in Current Investments	9,633,704.55	-
	Net Cash Flow from Investing Activities	(32,701,062.15)	(32,758,115.73)
3	<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>		
a	Changes in Long Term Borrowings	(9,933,034.00)	(951,852.00)
b	Dividend and Dividend Distribution Tax paid	(985,536.00)	(64,546.00)
c	Interest and finance cost	(7,663,974.00)	(8,185,624.00)
d	Changes in Other Long Term Liabilities	(34,992.00)	42,180,000.00
	Net Cash Flow from Financing Activities	(18,617,536.00)	32,977,978.00
	Net Increase in Cash and Equivalent.	7,052,170.12	(559,337.85)
	Cash And Cash Equivalents as at the Beginning of the year	2,858,540.13	3,417,877.98
	Cash And Cash Equivalents as at the closing of the year	9,910,710.25	2,858,540.13

As per our report of even date

For Mistry & Shah
Chartered Accountants
FRN:122702W

Ketan Mistry
Partner
M. No. 112112

Place : Ahmedabad
Date : May 30, 2018

For and on behalf of the Board

Manindersingh Jolly
Managing Director
DIN:00399467

Anureet Kaur Jolly
Director
DIN:02730332

Darshana Maniyar
Company Secretary
M. No: A45578

Jayvik Soni
CFO

Place : Ahmedabad
Date : May 30, 2018

Note 1. Corporate Information: -

The Company was incorporated at Ankleshwar as “Mamta Dyes and Intermediates Private Limited” on July 27, 1994 with the registrar of companies at Gujarat, Dadra & Nagar Haveli. The company was converted in to Public Limited Company vide a fresh certificate of incorporation on February 20, 1997. The name of the company was changed from Mamta Dyes and Intermediates Limited to “R.R.J. Dyes and Intermediates Limited” vide fresh certificate of Incorporation dated February 20, 1997. Further the name of the company was changed to “Prolife Industries Limited” vide fresh Certificate of Incorporation dated March 7, 2013. The Company got listed in year 2016-17 on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE EMERGE platform).

Our company is engaged in the business of manufacturing special and exclusive range of intermediates for dyes, pigments, agrochemicals and others. The company originally founded in the year 1994 in the name of Mamta Dyes & Intermediates Private Ltd has been in this Industry from the very inception. Company has established its own research & Development department within few years of incorporation of the company. It has already succeeded in developing very high-quality Specialty Chemicals as result of thorough knowledge and R & D efforts of the Managing Director of the company who have vast knowledge as well as years of experience in the chemical industry. The company has established vast domestic as well export market and are regularly catering to the needs of their customers in various parts of world including U.S.A., Spain, France, Taiwan, Japan etc.

Note 2. Significant Accounting Policies: -

1. Basis of accounting and preparation of financial statement: -

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP"), the Accounting Standards ("AS") as specified under section 133 of The Companies Act, 2013, read with applicable rules of Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements are prepared on the basis of going concern under the historical cost convention using the accrual method of accounting.

2. Use of Estimates: -

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosures of contingent liabilities. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

3. Valuation of Inventories: -

As per (AS) 2, The inventories are physically verified at regular intervals by the management. Raw materials and packing materials are valued at the lower of cost and net realizable value.

Finished goods, Stock-in-Trade and Work-in-Progress are valued at lower of cost and net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Consumable stores and spares are valued at the lower of cost and net realizable value, as estimated by the management. Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for.

4. Impairment of Assets: -

Pursuant to "AS-28 Impairment of Assets" issued by the Central Government under the Companies (Accounting Standard) Rules 2006 for determining Impairment in the carrying amount of fixed assets, the management has concluded that since recoverable amount of fixed assets is not less than its carrying amount, therefore no provision is required for impairment in respect of fixed Assets owned by the Company.

5. Research and Development: -

Research Costs are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account. Development expenditure is carried forward when its future recoverability can reasonably be regarded as assured and is amortized over the period of expected future benefit.

6. Prior Period Adjustments / Exceptional Items: -

All identifiable items of Income and Expenditure pertaining to prior period are accounted as "Prior Period Items". "Exceptional items" are accounted depending on the nature of transaction.

7. Event Occurring After Balance Sheet Date: -

As per AS 4 Events occurring after the balance sheet date are those significant events, both favourable and unfavourable, that occur between the balance sheet date and the date on which the financial statements are approved by the Board of Directors in the case of a company, and, by the corresponding approving authority in the case of any other entity.

These events can broadly be classified in two ways:

- a) Those which provide further evidence of conditions that existed at the balance sheet date; and
- b) Those which are indicative of conditions that arose subsequent to the balance sheet date.

Adjustments to assets and liabilities are required for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date.

8. Investments: -

Recognition and Measurement

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Presentation and disclosures

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

9. Property, Plant and Equipment & Capital Work-In-Progress: -

Property, Plant and Equipment represents a significant proportion of the asset base of the company. The change in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and the residual value of the company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Property, Plant and Machinery are stated at cost less depreciation / amortisation and impairment losses, if any. The cost of Fixed Assets comprises its purchase price net of any taxes, duties, freight and other incidental expenses related to acquisition, improvements and installation of the assets.

Borrowing costs that are directly attributable to the acquisition / construction of the qualifying asset are capitalised as part of the cost of such asset, up to the date of acquisition / completion of construction.

Projects under which Property, Plant and Machinery are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Gains or Losses arising from derecognition of Property, Plant and Machinery are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less accumulated amortization and accumulated impairment, if any. Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the Asset and are recognized in the statement of profit and loss when the asset is derecognized.

Deprecation on Property, Plant and Machinery is provided on "Written down Value Method" over the useful lives of the assets estimated by the Management. The Management estimates are based on the useful life provided in the Schedule II to Companies Act 2013, however for certain assets the Management Estimates differs from the useful life mentioned in Schedule II. The Useful Life of Various assets are mentioned in the below mentioned Chart.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Sr. No	Major Head	Assets Included	Useful Life
1.	Buildings	Road, Factory Building, Office	30 Years
2.	Plant & Machinery	All Plant and Machinery and Diesel Generator Set	20 Years
3.	Furniture and Fittings	All Furniture and Fixtures	10 Years
4.	Motor Vehicle	Four Wheel Vehicles	8 Years
5.	Motor Vehicle	Two Wheel Vehicles	4 Years
6.	Office Equipment	Weighing Machine, Refrigerator, Telephone, EPBX, Mobile	5 Years
7.	Computer and Data Processing Units	Computers	3 Years
8.	Laboratory Equipment	Laboratory Equipment	10 Years
9.	Electrical Installations and Equipment	Electrical Installation	10 Years
10.	Hydraulic Works, Pipelines and Sluices	Gas Pipelines	15 Years

10. Revenue Recognition: -

Revenue has been considered as per AS 9- Revenue Recognition issued by Institute of Chartered Accountants of India. Income from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer. Sales are recorded net of- Sales Tax / VAT, returns, rebates, discounts, Goods and Services Tax (GST) and Excise Duties.

Interest income is recognised on accrual basis. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

Revenue is recognised when consideration receivable for the sale of goods, the rendering of services or from the use by others of enterprise resources is reasonably determinable. When such consideration is not determinable within reasonable limits, the recognition of revenue is postponed.

When recognition of revenue is postponed due to the effect of uncertainties, it is considered as revenue of the period in which it is properly recognised.

11. Employee Benefits: -

- **Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

- **Post-Employment Benefits:**

- a) **Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

- b) **Defined Benefit Plans**

For defined benefit plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit (PUC) method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

12. Foreign Currency Transactions: -

On initial recognition, all foreign currency transactions are converted and recorded at exchange rates prevailing on the date of the transaction.

As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Any income or expense on account of exchange difference between the date of transaction and on settlement Date or on translation is recognized in the profit and loss account as income or expense except in cases where they relate to the acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

13. Borrowing Costs: -

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

14. Leases: -

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

15. Earnings Per Share (EPS): -

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive

potential equity shares. Detailed working for the same is mentioned in **Note No. 3.27** in Notes to financial statement

16. Taxes on Income: -

Tax expense comprises both current and deferred taxes. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

17. Provisions and Contingent Liability: -

A Provision is recognized, if as a result of past event the company has a present obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the Obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

18. Cash and Cash Equivalents (for the purpose of Cash Flow Statement): -

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, fixed deposits with banks, which are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

19. Cash Flow Statement: -

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on available information.

Note No-3.1.1 Share Capital

Particulars	As at March 31,2018		As at March 31,2017	
	Number	In ₹	Number	In ₹
Equity Share Capital of ₹ 10/- each				
Authorized Share Capital	4,500,000	45,000,000.00	4,500,000	45,000,000.00
Issued Share Capital	4,094,080	40,940,800.00	4,094,080	40,940,800.00
Subscribed and Fully Paid Up	4,094,080	40,940,800.00	4,094,080	40,940,800.00
		40,940,800.00		40,940,800.00

Note No-3.1.2 Reconciliation of Share Capital

Particulars	As at March 31,2018		As at March 31,2017	
	Number	In ₹	Number	In ₹
Equity Shares (Face Value ₹ 10.00)				
Shares outstanding at the beginning of the year	4,094,080	40,940,800.00	1,492,040.00	14,920,400.00
Shares Issued during the year			2,602,040.00	26,020,400.00
Shares bought back during the year				
Shares outstanding at the end of the year	4,094,080	40,940,800.00	4,094,080.00	40,940,800.00

Terms / rights attached to equity shares

1. The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

2. In F.Y. 2016-17, the company had issued bonus shares at ratio 1:1 on August 16, 2016.

Company had also issued 11,10,000 equity shares of face value Rs.10 per share at premium of Rs.28 per share through Initial Public Offer (IPO) at SME Platform on 05th January, 2017.

3. The company is neither a subsidiary nor a holding company of any other body corporate. Disclosures as regards the Shareholdings in or by such body-corporate, accordingly, are not applicable on the company.

4. In the Event of Liquidation of the company, the share holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

5. The company did not have outstanding calls unpaid by directors and officers of the company (Previous year NIL) and also did not have any amount of forfeited shares (Previous Year NIL).

Note No 3.1.3 Shareholders holding more than 5% of Share

Particulars	As at March 31,2018		As at March 31,2017	
	Number	% of Holding	Number	% of Holding
Maninder Singh Jolly	1,082,200	26.43 %	1,082,200	26.43 %
Anureet Kaur Jolly	1,010,000	24.67 %	1,010,000	24.67 %
Karan M Jolly	401,000	9.79 %	401,000	9.79 %
Harpreet S Jolly	288,880	7.06 %	288,880	7.06 %
Nirmal Singh Munder	190,000	4.64 %	190,000	4.64 %

Note No- 3.2 - Reserves and Surplus

Particulars	As at March 31,2018		As at March 31,2017	
Reserves				
Securities Premium	31,080,000.00		31,080,000.00	
Surplus				
Opening Balance	14,806,773.13		20,982,489.13	
(+) Net profit/(Net loss) for the Current Year	15,049,353.20		8,744,684.00	
(-) Bonus Issued out of free reserves	-		(14,920,400.00)	
(-) Adjustment in Depreciation	-		-	
(-) Dividend paid for FY 2016-17	(818,816.00)		-	
(+) Deferred Tax Liability	-		-	
(-) Dividend Distribution Tax	(166,720.00)		-	
Closing balance		59,950,590.33		45,886,773.13
Total		59,950,590.33		45,886,773.13

* The Board has Proposed Dividend of Rs. 0.25 per equity share of F.V Rs.10 each for Financial Year 2017-18.

Note No -3.3 Long Term Borrowings

In ₹

Particulars	As at March 31,2018	As at March 31,2017
Unsecured Loans:		
From Body Corporate*	56,253,717.00	66,186,751.00
From Related Party	1,076,340.00	1,076,340.00
Total	57,330,057.00	67,263,091.00

* The above Loans are unsecured and terms of repayment are three years from the date of acceptance.

Note No-3.4 Other Long Term Liabilities

In ₹

Particulars	As at March 31,2018	As at March 31,2017
Others*	2,700,000.00	2,700,000.00
Total	2,700,000.00	2,700,000.00

* The amount of Other Long Term Liability represent advance received from Shweta Co-Operative Housing Society Limited towards "Agreement for Sale" of GIDC Plot No.H31 and H36 situated at GIDC Panoli

Note No-3.5 Long Term Provision

In ₹

Particulars	As at March 31,2018	As at March 31,2017
Provision for Employee Benefits:		
Gratuity (Refer Note No.3.29)	831,181.00	866,173.00
Total	831,181.00	866,173.00

Note No-3.6 Short Term Borrowings

In ₹

Particulars	As at March 31,2018	As at March 31,2017
Secured		
Loans Repayable on Demand		
From Banks		
The J & K Bank (Bank OD) #	(9,101,539.56)	(16,610,501.00)
Total	(9,101,539.56)	(16,610,501.00)

1 The J & K Bank (Bank OD) is secured by way of hypothecation of entire block of current assets including raw material, stock in process, finished goods, Book Debts including export receivables etc. as primary security

2 The J & K Bank (Bank OD) is also secured by way of Equitable mortgage of factory land and building situated at Plot No. 213, GIDC Panoli, Ankleshwar, Gujarat.

3 The J & K Bank (Bank OD) is also secured by way of Equitable mortgage of land along with allied construction situated at Plot No. 214, GIDC Panoli, Ankleshwar, Gujarat.

4 The J & K (Bank OD) is also secured by way of Personal Guarantee of Mr. Maninder Singh Jolly (Managing Director) and Mrs. Anureetkaur Jolly (Director).

Note No-3.7 Trade Payables

In ₹

Particulars	As at March 31,2018	As at March 31,2017
MSME Creditors		
Principal Amount due and remaining unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further remaining due and payable in succeeding year	-	-
Other Trade Payables	54,791,045.81	41,159,870.00
Total	54,791,045.81	41,159,870.00

* The company has dispatch letter by post for asking MSME Registration of Vendors. Till date company has not received any confirmation on that. Hence in the absence of information all vendors are classified under Non-MSME Creditors.

Note No-3.8 Other Current Liabilities

In ₹

Particulars	As at March 31,2018	As at March 31,2017
Statutory Dues		
Professional Tax Payable	4,460.00	6,410.00
Tax Deducted at Source Payable	1,006,533.00	881,229.00
VAT and CST Payable	-	112,891.00
Service Tax Payable	-	140,943.00
Total	1,010,993.00	1,141,473.00

Note No-3.9 Short Term Provision

In ₹

Particulars	As at March 31,2018	As at March 31,2017
Provision for Employee Benefits		
Bonus Payable	-	76,713.00
Director Salary payable	1,785,000.00	1,310,000.00
Provident Fund payable	47,960.00	51,488.00
Gratuity Payable (Refer Note No. 3.29)	15,594.00	18,449.00
Others		
Provision for Expenses	893,431.00	64,664.00
Income Tax Payable	-	411,057.00
Total	2,741,985.00	1,932,371.00

Note No-3.11 Non-Current Investments

In ₹

Particulars	As at March 31,2018	As at March 31,2017
Investments in Property		
G.I.D.C. Plot*	2,511,223.00	2,511,223.00
Investment in Joint Venture**	13,660,391.00	13,660,391.00
Office at Thailand***	6,857,348.00	6,857,348.00
Dahej Plot	2,181,024.00	2,181,024.00
Investments in Partnership Firm		
Ayaz Ice & Cold Storage****	90,793.00	90,793.00
Investments in Equity Instruments		
(a) In Equity Instruments (quoted) (fully paid up)		
- 2000 Equity Shares of Rs. 10 each purchased at a price of Rs. 57 each of Reliable Data Service Ltd (Market Value of Reliable Data Service Ltd is Rs. 1,05,800.00)	114,000.00	
- 102500 Equity Shares of Rs.10 each purchased at a price of Rs. 116.93 each (appx.) of Umiya Tubes Ltd. (Market Value of Umiya Tubes Ltd is Rs. 90,71,250.00)	11,985,001.75	
Other Non Current Investment		
Bharuch Enviro Infrastructure Limited	-	21,161.00
Total	37,399,780.75	25,321,940.00

*The Company has entered into "Agreement for Sale" With Shweta Co-Op Housing Society Limited for sale of GIDC Plot no. H31 and H36 for Rs. 27,00,000.00

**This amount represents 12.99% share in the JSK Motel Management Inc. Percentage of Share is based on actual amount remitted by the company less amount repatriated in FY 2016-17.

*** Office at Thailand is recognised as non-monetary investment and thus it is valued at Historic Cost and no Foreign Exchange Gain / Loss is booked. The office was purchased to expand business operations and till date it has not been put to use, hence classified as Investment in Property. It is in the name of one of the Director Mr. M S Jolly.

****This represents amount of capital invested in Ayaz Ice & Cold Storage, a Partnership Firm through directors of the company i.e. Mr. M S Jolly and Mrs. Anureet Kaur Jolly.

Note No-3.12 Long term Loans and Advances

In ₹

Particulars	As at March 31,2018	As at March 31,2017
<u>Security Deposites</u>		
Unsecured, considered good		
Ankleshwar Telephone Deposit	9,000.00	9,000.00
DGVCL Deposit	1,836,437.00	1,836,437.00
G.I.D.C. Power Deposit	9,600.00	9,600.00
Gujarat Gas Co. Ltd. Deposit	1,003,122.57	953,016.00
Hexone Office Deposit	40,000.00	40,000.00
MGO (Gujarat Gas) Caution Deposit	-	15,094.00
NSE Deposite	-	421,800.00
PETL	-	480,000.00
<u>Balances With Government Authorities</u>		
Unsecured, considered good		
Duty Drawback Receivable	835,341.00	580,149.00
Excise Duty	-	2,439,629.00
Excise Refund	-	1,151,882.00
CGST Paid on RCM	121,298.00	-
IGST Paid on RCM	93,008.00	-
SGST Paid on RCM	121,298.00	-
Input GST Receivable	14,207,872.51	-
Income Tax Appeal ITAT	750,000.00	750,000.00
Income Tax Appeal CIT A.Y. 2014-15	71,885.00	71,885.00
Income Tax Receivable 13-14	21,812.00	21,812.00
Income Tax Receivable 14-15	66,965.00	66,965.00
Income Tax Receivable 15-16	103,229.00	103,229.00
Income Tax Receivable	277,014.00	277,014.00
Income Tax Receivable 17-18	1,235,525.00	-
Balance in PLA	-	32,595.00
Service Tax	-	645,519.00
Value Added Tax Refund	-	1,133,152.00
Value Added Tax Receivable	-	1,228,656.00
VAT Paid 2013-14	1,344,000.00	-
VAT Paid 2014-15	2,106,563.00	-
VAT Paid 2016-17	718,700.00	-
<u>Loans and Advances to Employees</u>		
Unsecured, considered good		
Shantilal Machi	-	27,000.00
Ganesh Prasad	-	10,000.00
Hitesh Sharma	25,000.00	25,000.00
Pawan Singh (Advance)	40,000.00	-
<u>Other Loans and Advances</u>		
Unsecured, considered good		
Sachin Industries	100,000.00	100,000.00
Total	25,137,670.08	12,429,434.00

Note No-3.13 Current Investment

In ₹

Particulars	As at March 31,2018	As at March 31,2017
<u>Investment in Equity</u>		
1,17,000 Equity Shares of Rs. 10.00 each purchased at price of Rs. 127.70 each of Akash Infra-Projects Ltd	-	14,940,400.00
<u>Investment in Mutual Funds</u>		
2,35,483.283 Units of Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth	5,462,435.45	155,740.00
Total	5,462,435.45	15,096,140.00

Note No-3.14 Inventories In ₹

Particulars	As at March 31,2018	As at March 31,2017
Finished Goods	16,827,338.00	11,869,048.00
Packing Material	119,287.00	55,232.00
Raw Material	17,359,751.00	12,734,438.00
Total	34,306,376.00	24,658,718.00

Note No-3.15 Trade Receivables In ₹

Particulars	As at March 31,2018	As at March 31,2017
Outstanding for More than 6 months		
Unsecured considered good	170,900.00	1,054,475.00
Outstanding for Less Than 6 months		
Unsecured considered good	28,204,191.73	41,769,066.00
Total	28,375,091.73	42,823,541.00

*Debtors are subject to confirmation.

Note No-3.16 Cash and Cash Equivalents In ₹

Particulars	As at March 31,2018	As at March 31,2017
Balances with banks in Current Account		
Axis Bank	1,887,604.24	(569,720.00)
Dollar Account	4,378,595.00	1,087,830.00
S.B.I. (Airport)	223,295.50	223,944.00
S.B.I. (J.N.P.T.)	98,613.00	99,262.00
Cash on hand		
Cash on hand	547,732.00	333,907.00
FDR for Bank Guarantees*		
BG (Gujarat Gas)	1,304,861.90	1,304,862.00
BG GPCB	89,348.00	53,708.00
Bank Deposit with more than 12 months maturity		
FDR with Banks	1,380,660.00	324,745.00
Total	9,910,709.64	2,858,538.00

* Fixed Deposit of Rs. 1,394,209.90 (Previous Year Rs. 1,358,570.00) is held by bank as security against guarantee issued to Gujarat Gas Limited and Gujarat Pollution Control Board.

Note No -3.17 Short Term Loans and Advances In ₹

Particulars	As at March 31,2018	As at March 31,2017
Unsecured considered good		
GOEL Power Er.	-	200,000.00
Beeline Broking Limited	1.67	30,424.00
Total	1.67	230,424.00

Note No -3.18 Other Current Assets In ₹

Particulars	As at March 31,2018	As at March 31,2017
Unsecured, considered good		
Prepaid Insurance	31,567.00	26,812.00
Prepaid Expense	35,000.00	187,500.00
Accrued F.D Interest	145,882.00	4,111.00
Total	212,449.00	218,423.00

Note No: 3.10 Fixed Assets

In ₹

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION			NET BLOCK	
	As at April 1,2017	Addition during the year	Ded/Adj during the year	As at March 31,2018	Upto March 31, 2017	For the year	Upto March 31, 2018	As at March 31,2018	As at March 31,2017
TANGIBLE ASSETS									
BUILDINGS	23,768,978.00	4,400,673.00	-	28,169,651.00	2,677,970.00	2,265,236.00	4,943,206.00	23,226,445.00	21,091,008.00
PLANT AND MACHINERY	37,123,498.00	16,780,519.00	-	53,904,017.00	7,502,192.00	5,471,683.00	12,973,875.00	40,930,142.00	29,621,306.00
FURNITURE AND FITTINGS	1,705,629.00	62,000.00	-	1,767,629.00	930,653.00	214,935.00	1,145,588.00	622,041.00	774,976.00
MOTOR VEHICLES	865,027.00	-	-	865,027.00	776,951.00	44,824.00	821,775.00	43,252.00	88,076.00
OFFICE EQUIPMENT	148,055.00	61,954.00	-	210,009.00	100,874.00	30,472.00	131,346.00	78,663.00	47,181.00
COMPUTERS AND DATA PROCESSING UNITS	150,264.00	180,104.00	-	330,368.00	130,247.00	67,065.00	197,312.00	133,056.00	20,017.00
LABORATORY EQUIPMENT	207,629.00	-	-	207,629.00	161,239.00	18,241.00	179,480.00	28,149.00	46,390.00
ELECTRICAL INSTALLATIONS AND EQUIPMENT	2,069,399.00	1,902,535.00	-	3,971,934.00	822,341.00	740,307.00	1,562,648.00	2,409,286.00	1,247,058.00
HYDRAULIC WORKS, PIPELINES AND SLUICES	85,167.00	-	-	85,167.00	47,559.00	8,970.00	56,529.00	28,638.00	37,608.00
LAND*	2,905,030.00	-	-	2,905,030.00	-	-	-	2,905,030.00	2,905,030.00
PLANT AND MACHINERY WIP	5,314,070.00	7,246,754.00	12,560,824.00	-	-	-	-	-	5,314,070.00
Total	74,342,746.00	30,634,539.00	12,560,824.00	92,416,461.00	13,150,026.00	8,861,733.00	22,011,759.00	70,404,702.00	61,192,720.00

* Land is Non-Depreciable Assets, hence no depreciation has been provided on it.

Note No :-3.19 Revenue from Operations**In ₹**

Particulars	As at March 31,2018	As at March 31,2017
<u>Sale Of Products</u>		
Export	124,300,756.00	56,263,377.00
G S Sales	93,932,609.69	142,046,126.00
Merchant Export	14,764,447.00	36,313,350.00
O G S Sales	15,713,670.00	20,844,445.00
Sales against CT-1	4,983,071.00	4,920,000.00
Sales against CT-3	-	2,555,000.00
Export at Concession Rate	8,821,888.25	-
<u>Sale Of Services</u>		
Job Work Charges	8,542,275.00	7,520,100.00
<u>Other Operating Revenue</u>		
Export Incentives*	2,069,795.00	1,454,928.00
Total	273,128,511.94	271,917,326.00

* Exports Incentives includes amount received / receivable towards duty drawback.

Note No :-3.20 Other Income**In ₹**

Particulars	As at March 31,2018	As at March 31,2017
<u>Interest on:</u>		
Fixed Deposit and PCL A/c	294,602.45	267,199.00
Interest on VAT Refund	-	489,991.00
<u>Other Non-operating Income</u>		
Discount	10,259.90	24,138.00
Exchange Gain & Loss	2,003,951.79	-
Kasar Vatav	178,350.05	64,173.00
Profit from Investment	306,695.45	155,740.00
Total	2,793,859.64	1,001,241.00

Note No :-3.21 Cost of Materials Consumed**In ₹**

Particulars	As at March 31,2018	As at March 31,2017
Opening Balance Of Raw material	12,789,670.00	18,909,258.00
Purchase Of Raw material	201,792,097.90	201,731,921.00
Less: Closing Balance Of Raw material	(17,479,037.43)	(12,789,670.00)
Total	197,102,730.47	207,851,509.00

Note No :-3.22 Change In Inventories**In ₹**

Particulars	As at March 31,2018	As at March 31,2017
<u>Finished Goods</u>		
Opening Balance	11,869,048.00	13,468,248.00
Less: Closing Balance	(16,827,338.23)	(11,869,048.00)
Total	(4,958,290.23)	1,599,200.00

Note No :-3.23 Employee Benefit Expenses**In ₹**

Particulars	As at March 31,2018	As at March 31,2017
Salary and Wages		
Bonus	237,810.00	383,563.00
Director Salary	500,000.00	500,000.00
Labour Charges	4,105,094.00	1,415,793.00
Salary Wages	2,606,805.00	2,667,914.00
Over Time	342,511.00	335,577.00
Contribution to Provident Fund and Other Funds		
Provident Fund	301,875.00	287,526.00
Gratuity Expense*	(37,847.00)	76,873.00
Staff Welfare Expenses		
Lunch	840.00	540.00
Medical Allowance	28,519.00	-
Staff Welfare Expenses	292,395.00	244,747.00
Tea & Refreshment Expenses	373,876.00	316,679.00
PM Insurance Policy	3,762.00	5,449.00
Production Incentive	132,500.00	114,550.00
Reimbursement of Expense	62,880.00	48,000.00
Heat Gas & Dust Allowance	257,082.00	280,766.00
House Rent Allowance	1,019,279.00	955,651.00
City Compensatory Allowance	431,585.00	461,055.00
Conveyance Allowance	383,469.00	382,951.00
Special Allowance	770,259.00	739,393.00
Total	11,812,694.00	9,217,027.00

* Gratuity Expense is recorded as per Actuarial Report.

Note No :-3.24 Finance Costs**In ₹**

Particulars	As at March 31,2018	As at March 31,2017
Interest Expenses		
Bank Interest	79,288.00	179,045.00
Interest on Unsecured Loans	7,549,587.00	7,883,250.00
Other Borrowing Cost		
Letter of Credit Charges	35,099.00	123,329.00
Total	7,663,974.00	8,185,624.00

Note No :-3.25 Other Expenses**In ₹**

Particulars	As at March 31,2018	As at March 31,2017
Payment To Auditors		
Audit Fees	120,000.00	100,000.00
Prior Period Items		
Prior Period Expenses*	5,380.00	-
Power & Fuel		
Gas & Fuel Expenses	8,494,644.40	5,646,748.00
Petrol/vehicle Expenses	16,305.00	35,410.00
Power Expenses	5,778,332.00	5,522,387.00

Repairs to Plant & Machineries

Electrical Expenses	1,036,374.38	797,766.00
Repair and Mat.(Plant & Machinery)	6,446,578.65	2,821,732.00
Stores & Spares	1,426,078.64	925,681.00
Computer Expense	23,589.06	32,015.00
Vehicle Repairing	20,342.00	7,400.00

Insurance

Insurance Expenses	331,900.98	163,234.00
ECGC Premium	-	12,624.00

Rates and taxes

Excise Expense	144,883.00	-
GIDC Notified Tax	231,498.00	149,429.00
Professional Tax	-	2,500.00
Service Tax	275,236.53	113,231.00
Vat Credit Reversal	179,874.00	377,740.00
Vat Expense	666,003.38	-
Others Rates and Taxes	26,851.00	7,295.00

Miscellaneous Expenses

Advertisement Expense	107,478.00	1,023,858.00
Annual Charges	-	528.00
Bank Charges	340,510.00	133,729.00
BEIL Expense	-	50,000.00
Broking Charges	5,950.89	-
Clearing & Forwarding Charges	978,457.00	275,882.00
Commission Expenses	604,837.00	114,316.00
Compensation Expenses	127,250.00	173,164.00
Contribution Expense (PETL)	480,000.00	100,000.00
Conveyance Expense	72,275.00	134,175.00
Detention Expense	1,852.00	1,844.00
Donation Expense	10,000.00	15,500.00
Drinking Water	87,500.00	37,140.00
Factory Expenses	257,664.00	316,129.00
Freight Expenses	279,761.50	-
Foreign Exchange Loss	-	821,576.00
Furniture Repairs	52,125.00	-
Gardner Expenses	210,200.00	-
GPCB Analysis Charges	79,129.20	6,539.00
Interest and Penalty on Statutory Dues	84,856.00	33,468.00
Internet Expense	17,935.00	20,000.00
Income Tax Appeal fees	49,870.00	-
IPO Expense	218,116.60	3,129,972.00
Laboratory Expenses	32,858.90	53,567.00
Legal & Prof.Expenses	994,743.12	296,650.00
Loading Unloading Expenses	290,176.00	307,730.00
Loss on Sale of Investment	79,276.00	-
Medical Expenses	11,361.00	175,180.00
Membership Fees	15,500.00	4,000.00
Merchant Banking Expenses	250,000.00	-
Mobile Expense	47,565.00	10,770.00
Office Expenses	64,558.00	96,268.00
Other Expenses	110,515.26	3,202.00

Packing and Forwarding Expense	5,049.00	9,900.00
Palletization Expenses	54,631.00	-
Postage & Courier Expenses	64,358.65	31,350.00
Printing & Stationery	119,831.00	186,282.00
Quality Difference	-	(368,649.00)
Reimbursement of Expenses**	644,137.00	1,067,462.00
Round Off	837.00	2.00
Shipping Line Charges	24,000.00	-
Safety and fire Expenses	-	14,705.00
Sundry W/off	-	41,585.00
Security Expenses	471,182.00	476,529.00
Service Charge	2,705.00	626.00
Telephone Expenses	3,309.00	4,828.00
Telephone Expenses (Hexone)	7,289.00	2,729.00
Tempo Charges	83,350.00	57,950.00
Testing expense	11,000.00	-
Transportation Expenses	475,284.00	803,229.00
Travelling & Conveyance	70,925.00	129,742.00
UN Certificate Fees		43,000.00
Uniform Expense		59,285.00
Water & Drainage	1,072,624.00	1,476,662.00
Waste Treatment Expense	211,690.00	
Weigh Expenses	13,950.00	12,920.00
Xerox	1,550.00	2,243.00
Total	34,523,893.14	28,102,759.00

*This amount represents actual reimbursement paid to clearing and forwarding agent for exports.

3.26 Contingent Liabilities not provided for: -

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Disputed Income Tax Liability	7,01,445.00	16,10,570.00
Disputed Custom Duty Liability	3,16,320.00	3,16,320.00
Tax Deducted at Source Liability (on TRACES portal)	3,39,370.00	3,09,474.00
Claims against the Company not acknowledged as debts (Labour matters involving issues like termination of employment) *	78,690.00	78,690.00
Total	14,35,825.00	23,15,054.00

In respect of above matters, future cash flows in respect of contingent liabilities are determinable only on receipts of judgements pending at various forums/authorities.

* It is in respect of the amount payable to one of its employee for employment termination. The liability has been calculated up to the Date of Order of Labour Court. The Company has filed appeal against the issued orders.

3.27 Earnings Per Share (EPS)

The Calculation of Weighted Average Number of Equity Shares as per (AS) 20 is described below:

Particulars	Current Year			Previous Year		
	No. Of Shares	No. Of Days outstanding	Weighted average number of Shares	No. Of Shares	No. Of Days outstanding	Weighted average number of Shares
Number of shares outstanding at the Beginning of the year	4,094,080	365	4,094,080	14,92,040	365	14,92,040
Shares issued during the year	-	-	-	1,110,000	81	246,329
By way of issue of Bonus Issue	-	-	-	1,492,040	365	1,492,040
Other than bonus issue	-	-	-	-	-	-

Total Shares outstanding at the end of the year	4,094,080	-	4,094,080	4,094,080	-	3,230,409
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The following reflects the profit and share data used in the Basic and Diluted EPS computation: -

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit as per Profit and Loss	15,049,353.20	8,744,684.00
Weighted Average Number of Equity Shares	4,094,080.00	3,230,409.00
Nominal Value per Share	10	10
Basic and Diluted Earnings Per Share	3.68	2.71

3.28 Segment Reporting: -

Information about Primary (Business) Segment:

The Company operates in single business segment of “Dyes Intermediates”. Hence, there is only one reportable business segment as envisaged in Accounting Standard (AS) 17 “Segment Reporting”.

Information about Secondary (Geographical) Segment:

The Company derives revenue from both domestic and overseas markets, which are considered as different geographical segments. Segment-wise revenues are as under:

	2017-18			2016-17		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue	12,31,71,625.69	14,78,87,091.25	27,10,58,716.94	17,78,85,671.00	9,25,76,727.00	27,04,62,398.00
Segment Assets	3,19,92,559.59	3,84,12,146.89	7,04,04,706.48	4,02,47,029.30	2,09,45,690.70	6,11,92,720.00
Cost for Fixed Asset Acquisition	3,06,34,539.00	-	3,06,34,539.00	5,55,71,365.00	-	5,55,71,365.00

3.29 Retirement Benefits: -

Disclosure Requirement as per AS-15 (Revised 2005) "Employee Benefits" notified under section 133 of the Companies Act, 2013

a) Defined Contribution Plan (Provident Fund) included in Employee Benefit Expenses during Current Year is Rs. 3,01,875.00

b) Defined Benefit Plan: -

Prolife Industries Limited has defined benefit gratuity plan.

Change in Present Value of Benefit Obligations	
Present Value of Benefit Obligation on 1-4-2017	8,84,622.00
Current Service Cost	1,03,770.00
Interest Cost	68,116.00
Benefit Paid	0.00
Actuarial Losses /(gains)	(2,09,733.00)
Present Value of Benefit Obligation on 31-03-2018	8,46,775.00

Details of experience adjustment on plan assets and Liabilities	
Experience adjustment on plan assets	0.00
Experience adjustment on plan liabilities	(1,67,392.00)

Bifurcation of Present Value of Benefit Obligation	
Current - Amount due within one year	15,594.00
Non-Current - Amount due after one year	8,31,181.00
Total	8,46,775.00

Change in Fair Value of Plant Assets	
Fair Value of Plan Assets on 1-4-2017	0.00
Expected Return on Plan Assets	0.00
Company Contributions	0.00
Benefits paid	0.00
Actuarial losses (gains)	0.00
Fair Value of Plan Assets on 31-3-2018	0.00
Expected Company Contributions in the next year	0.00

Asset Category of Plan Assets	
Government of India Securities	0.00
High quality corporate bonds	0.00
Equity shares of listed companies	0.00
Property	0.00
Funds managed by Insurance Company	0.00
Cash / Bank Balance	0.00

Amount recognized in Balance Sheet and Statement of Profit and Loss	
Present Value of Benefit Obligation on 31-3-2018	846,775
Fair Value of Plan Assets on 31-3-2018	0.00
Net Liability / (Asset) recognised in Balance Sheet	846,775

Current Service Cost	103,770.00
Interest Cost	68,116.00
Expected Return on Plan Assets	0.00
Net actuarial losses (gains) recognized in the year	(209,733.00)
Expenses recognized in Statement of Profit and Loss	(37,847.00)

3.30 Duty Drawback:

Duty Drawback, which is received and receivable for F.Y. 2017-18 are recorded.

3.31 Prior Period Expenses:

All identifiable items of Income and Expenditure pertaining to prior period are accounted as "Prior Period Items".

3.32 Realizations:

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

3.33 Micro Small and Medium Enterprise (MSME) Creditors:

The Micro Small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006 have been taken based on the list of MSME creditors

provided by the management. However, as the Company has not received any claims in Respect of such interest and as such, no provision has been made in the books of accounts.

3.34 Related Party Disclosures: -

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the below mentioned table: -

Nature of Transaction	Relationship	Period	
		2017-18	2016-17
1. Mr. Maninder singh S Jolly	Director		
Remuneration (Gross Paid)		500,000.00	500,000.00
2. Prolife Bio- Chemical Industries Private Limited	Common Directorship		
Sales of Goods		35,730,437.00	52,270,779.00
Raw Material Purchased		51,245,786.00	46,194,392.00
Reimbursement of Expenses		5,905,641.00	2,417,049.00
3. Goldstar Chemicals Private Limited	Common Directorship		
Sales of Goods / Services		34,049,029.00	80,718,347.00
Raw Material Purchased		5,038,600.00	4,431,105.00
4. J.S Chemical	Partnership Firm of Director		
Sales of Goods		2,419,000.00	4,907,332.00
Raw Material Purchased		-	-
Reimbursement of Expenses		-	-
5. Prolife Speciality Chemicals Limited (Formerly known as Nem Organics Limited)	Common Directorship		
Raw Material Purchased		30,906,913.00	36,271,725.00
Reimbursement of Expenses		-	-
Sales of Goods		-	-
Purchase of Machines		-	4,347,750.00

5. Shraddha Fine Chem Private Limited	Common Directorship		
Raw Material Purchased		9,792,215.00	18,653,880.00
Sales of Goods		18,478,508.00	7,127,121.00
6. Prolife Entertainment & Production Private Limited	Common Directorship		
Expenses		-	1,020,408.00
7. Prolife Communication Private Limited	Common Directorship		
Expenses		11,000.00	-
8. Jayvik Soni CFO	CFO	570,000.00	390,000.00
9. Darshna Maniyar CS	CS	272,800.00	132,600.00

Key Managerial Personnel (KMP)

Mr. Manindersingh Jolly	- Managing Director
Mr. Jayvik Soni	- Chief Financial Officer
Miss. Darshana Maniyar	- Company Secretary

Relative of Key Managerial Personnel

Mrs. Anureet Kaur Jolly	- Wife of Managing Director
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Enterprise over which Key Managerial Personnel and their relatives have Significant Influence

J.S. Chemicals
 Prolife Speciality Limited (Formerly known as Nem Organics Limited)
 Pro Chukan Chemical Industries Private Limited
 Prolife Bio-Chemical Industries Private Limited
 Prolife Communication Private Limited
 Prolife Entertainment and Production Private Limited
 Prolife Hair and Health Care Private Limited
 Prolife Multi Specialty Hospitals Private limited
 Shraddha Fine Chem Private Limited
 Shree Ram Chemicals
 Solvochem Industries
 Solvochem Intermediates Private limited
 Yushika Exports

3.35 Unhedged Foreign Currency Exposure

The company does not use any derivative instruments to hedge its risk associated with foreign currency fluctuations. The details in respect of exposure to foreign currency fluctuation are as follows:-

	Currency	Year Ended 31st March 2018	Year Ended 31st March 2017
Receivable	US \$	496920.29	8,34,672.36
Payable	US \$	21,500.00	Nil
EEFC	US \$	67,444.87	Nil

3.36 CIF Value of Imports

	Year Ended 31st March 2018	Year Ended 31st March 2017
Raw Material	1,30,14,211.30	1,51,93,621.00
Stores, Spares and Packing Materials	-	-
Capital Goods	-	-
Total	1,30,14,211.30	1,51,93,621.00

3.37 Expenditure in Foreign Currency

	Year Ended 31st March 2018	Year Ended 31st March 2017
Legal and Professional	-	-
Total	-	-

3.38 Earnings in Foreign Exchange

	Year Ended 31st March 2018	Year Ended 31st March 2017
CIF Value of Exports	8,05,13,379.00	6,94,46,801.00
FOB Value of Exports	5,78,51,824.00	22,269,926.00

3.39 Management Remuneration

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

Sr. No.	Particulars of Remuneration	MD/WTD/ Manager		Total Amount
		MD		
1	Gross Salary	5,00,000.00		5,00,000.00
	a) Salary as per Provisions contained in section 17(1) of the Income Tax Act, 1961.			
	b) Value of perquisites u/s 17 (2) of Income Tax Act,1961			
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock option	0		0
3	Sweat Equity	0		0
4	Commission	0		0
5	Any other Benefits	0		0
	Total	5,00,000.00		5,00,000.00
	Ceiling as per the Act			30,00,000.00

B. Remuneration to key managerial personnel other than MD/ Manager/ WTD:

Sr. No.	Particulars of Remuneration	Name of Managerial Person other than MD/WTD/Manager		Total Amount
		CFO	CS	
1	Gross Salary	5,70,000.00	2,72,800.00	8,42,800.00
	a) Salary as per Provisions contained in section 17(1) of the Income Tax Act, 1961.			
	b) Value of perquisites u/s 17 (2) of Income Tax Act,1961			
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock option	0	0	0

3	Sweat Equity	0	0	0
4	Commission	0	0	0
5	Any other Benefits	0	0	0
	Total	570,000.00	2,72,800.00	8,42,800.00

3.40 General Notes: -

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

Balances shown under Long-term Borrowings, Long Term Provisions, Short Term Provisions, Trade Payables, Other Current Liabilities, Long Term Loans and Advances, Inventories, Trade Receivables, Short Term Loans and Advances and Other Current Assets, etc. are subject to confirmation / reconciliation, if any. The management does not expect any material difference affecting the current year's financial statements.

**For Mistry & Shah
Chartered Accountants
F.R.N 122702W**

For and on Behalf of Board

**Ketan Mistry
Partner
M.No. 112112**

**Manindersingh Jolly
Managing Director
DIN: 00399467**

**Anureet Kaur Jolly
Director
DIN: 02730332**

**DarshanaManiyar
Company Secretary
M. No:A45578**

**Jayvik Soni
CFO**

**Date: May 30, 2018
Place: Ahmedabad**

**Date: May 30, 2018
Place: Ankleshwar**

PROLIFE INDUSTRIES LIMITED
CIN NO: L24231GJ1994PLC022613

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

I/We hereby record my/our presence at the 24th Annual General Meeting of the Company held at 6 ,8,10,12 Hexon Arcade, Nr. Jayaben Modi Hospital Valia Road, G.I.D.C., Ankleshwar 393002, Gujarat, India on Saturday, 29th September, 2018, at 11:00 A.M.

Folio No. / Client ID/DPID No.

.....

Full Name of the Shareholder:

.....

Signature:

Full Name of Proxy.....

Signature:

(To be filled in if the Proxy attends instead of the Member)

PROLIFE INDUSTRIES LIMITED
CIN NO: L24231GJ1994PLC022613

24th Annual General Meeting – 29th September, 2018

Form No. MGT-11

PROXY FORM

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

Name of the Member(s):

Registered Address:

Email:

Folio No./Client ID:

DP ID:

I/ We, being the Member(s) of..... Shares of the Prolife Industries Ltd., hereby appoint

Name:

Address:

Email.....

Signature:

or failing him / her

Name:

Address:

Email:

Signature:

or failing him / her

Name:

Address:

Email:

Signature:

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 24th Annual General Meeting of the company, to be held on Saturday, 29th September, 2018 at 11:00 A.M. at 6 ,8,10,12 Hexon Arcade, Nr. Jayaben Modi Hospital Valia Road, G.I.D.C., Ankleshwar 393002, Gujarat, India and at any adjournment thereof:

Sr. No.	Resolutions	Optional*	
		For	Against
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon (Ordinary resolution).		
2.	To declare final dividend on Equity shares for the year 2017-18 (Ordinary resolution)		
3.	To appoint Mrs. Anureet Kaur Jolly [DIN: 02730332], who retires by rotation and being eligible offers himself for reappointment. (Ordinary resolution).		
4.	To appoint Statutory Auditors of the company to hold office from the conclusion of this AGM until the conclusion of the sixth annual general meeting to be held in the calendar year 2023 to pass the resolution thereof (Ordinary resolution).		
5.	To appoint Mr. Yogesh Satyanarayan Pareek [DIN: 02937854] as Non- executive independent director of the Company (Special Resolution)		

Signed thisDay of 2018

.....
Signature of the Member
holder(s)

.....
Signature of the proxy

Affix Rs. 1/ Revenue Stamp

Signature of the shareholder
Across Revenue Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. *This is only optional Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
5. In the case of joint holders, the signatures of any one holder will be sufficient, but names of all the joint holders should be stated.



PROLIFE INDUSTRIES LIMITED

REGISTERED OFFICE: 213, G.I.D.C. PANOLI,

ANKLESHWAR 394116 GUJARAT

Email: info@prolifeindustries.in

Tel. : 02646 272490