Radha Madhav
Corporation Limited
Annual report 2017-18

Re
invention!

RMCL
UNIVERSE
BUY . EARN . GROW

Reinvention!

There was a time when our operations had been halted.

When our interest outflow had mounted.

When we encountered regulatory hurdles.

When we were affected by declining sales.

When our net worth had been extensively eroded.

The result: Investors had written us off; we were on the verge of being liquidated.

CONTENTS

Until we resolved to enter the consumer products business through the direct marketing route.

We introduced new products.

We enlisted more than 300,000 active associates to market our products every month.

We settled loans.

We mobilised additional capital.

We transformed our net worth to the positive. The reinvention made the difference.

*Following the final settlement of debts in September 2017, the Company reported q-o-q growth in topline and bottomline with an EBITDA margin in excess of 6.40%. The net worth turned positive in June 2018.

12 things you need to know about our Company

Background: Promoted by Mr. Anil Agarwal and family members, the Company was formed in 2005 following the amalga mation of the existing business of the management. The Company was singularly focused on the packaging business until 2013. The Company is presently managed by Mr. Mitesh Agarwal (Managing Director) and Mr. Abhishek Agarwal (Jt. Managing Director) along with a team of experienced professionals.

Experience: Radha Madhav Corporation Limited is the largest producer of cast and blown films in India. The Company addresses the existing and emerging needs of fast-evolving downstream sectors (FMCG and pharmaceuticals among others). The Company is now primarily an direct selling consumer products company with established competence in packaging and engineering capabilities.

Diversified: The Company is engaged in the network marketing of consumer products and packaging products. It intends to emerge as a global packaging solutions provider with expertise comprising multiple technologies, products, processes and materials. The Company extended into attractive verticals like high-end food products and pharmaceuticals packaging through a dedicated unit at Rudrapur in Uttaranchal (the country's largest pharmaceutical packaging unit) following an investment of ₹540 million.

Quality-conscious: The Company's desire to manufacture products that stand for qualitative excellence has been showcased through certifications like ISO 9001-2000 for its packaging business. All the Company's facilities have been designed and built around GMP norms. The Rudrapur facility is on the verge of receiving the HACCP certification.

Research-oriented: The Company is technology-led. Its state-of-the-art manufacturing facility in Daman was set up at an investment of ₹1,750 million for manufacturing high-tech films. The facility is equipped with cutting-edge equipment and managed by experienced professionals possessing a keen insight into customer buying patterns and usages.

People: The Company is driven by Mr. Mitesh Agarwal, Mr. Abhishek Agarwal, with a support team comprising of Mr. Puneet Shukla, Mr. P.R. Nataraj, Mr. Amit and Ms. Vishnupriya Varma. The Company has 38 lakh members with substantially high percentage of active members.

Pioneering: The Company commissioned the first mechanically operated line in India to produce polyvinyl chloride shrink films and the only one to produce plastic optical fibre films in the sub-continent.

Locations: Headquartered in Daman, India, the Company has more than 11,000 retail units and 125 warehouses across the country. The Company has five manufacturing units for its packaging business – four in Daman and one in Rudrapur.

Competence: The Company has built a team of professionals, technocrats and shopfloor specialists. This combination has empowered the Company to stay ahead of the curve through innovative and reliable packaging solutions customised for a national and international clientele.

Product segments: Consumer products

Agricultural products


Health supplements

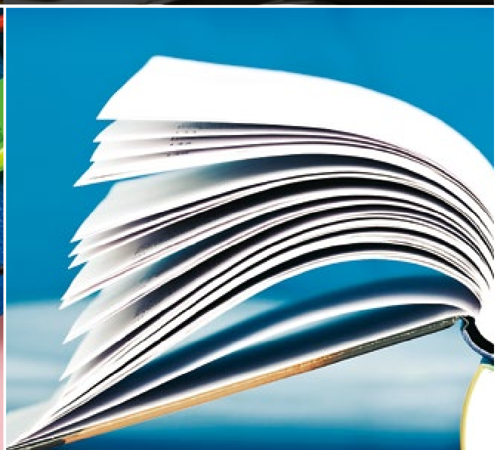

Personal care


Food products


Household products


Lifestyle and fashion


Stationery


Educational products

Our Product segments :Consumer products and Packaging division

Financials: Over the last five years, the Company reported a CAGR of 64% in revenue, while EBIDTA grew from a negative of ₹50 crore in 2013-14 to a positive of ₹11.69 crore in 2017-18.

Listing: The Company's shares are listed on the Bombay Stock Exchange (security code: 532692) and the National Stock Exchange (scrip code: RMCL) and traded actively. The Company's market capitalisation stood at ₹238 crore as on 31st March 2018.

Ownership: As on 31st March 2018, 21.23% of the Company's equity was held by the promoters while 15.21% was held by institutions and the rest by public individuals.

Packaging products

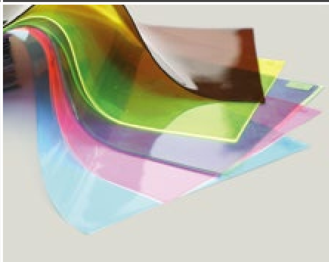
POF films

PVDC coated thin films and blisters

Triplex

MOPVC films

MOPVC labels



Nylon films

Coated films

Lamitube

PVC blisters

Flexible packaging

VCI films

Thermal films

Keep fresh bags

EVOH based films

Cast films

PVC cling films

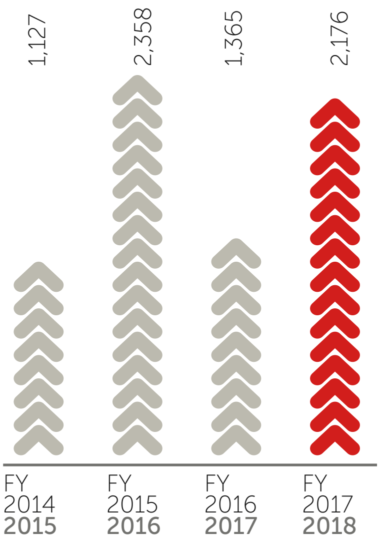
PVC soft sheets

Oxygen pipes

Bubble wrap

Numbers speak louder than words

Total income (₹ million)



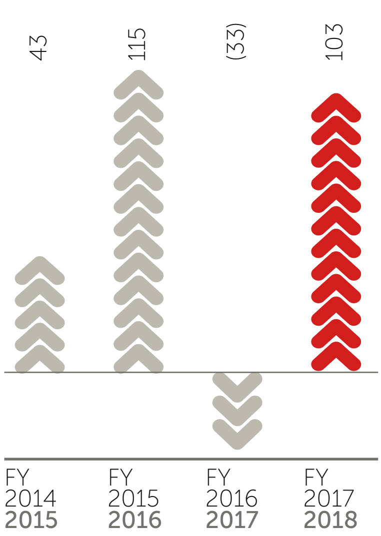
Definition
Growth in sales net of taxes and excise duties.

Why is this measured?
It highlights the service acceptance and reach of a company in the market.

Performance
Improved product offtake made it possible to cover fixed costs more effectively, strengthening margins and surplus.

Value impact
Aggregate sales increased by 60 % (over 2016-17) to reach ₹217 crore during FY2017-18 following an increased demand for consumer products.

Net profit (₹ million)



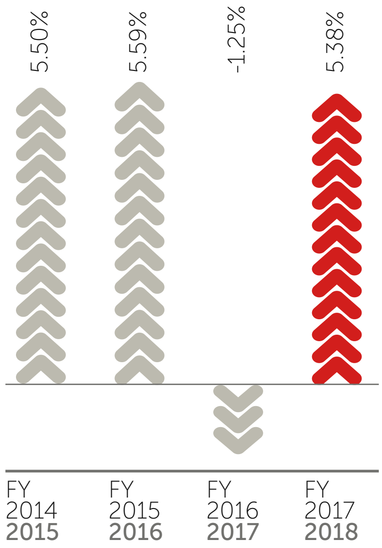
Definition
Profit earned during the year after deducting all expenses and provisions.

Why is this measured?
It highlights the strength of the business model in enhancing value for shareholders.

Performance
Ensures that adequate resources are available for reinvestment and sustaining the Company's growth.

Value impact
The Company's net profit has grew by from ₹(33) crore to ₹103 crore y-o-y, validating the robustness of its operations.

EBITDA margin (%)



Definition
EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency.

Why is this measured?
The EBITDA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

Performance
Demonstrates adequate buffer in the business, which when multiplied by scale, enhances surpluses.

Value impact
The Company reported an EBIDTA margin growth from (1.25)% to 5.38%, a 664 bps increase during FY2017-18

The numbers you don't see

Revenues derived from our direct marketing business (₹ crore)

2014-15	2015-16	2016-17	2017-18
80.07	222.77	124.51	204.36

Increase in products marketed (direct marketing business)

2014-15	2015-16	2016-17	2017-18
150	850	1800	2600

Evolving proportion of the direct marketing revenues (as % of the whole)

2014-15	2015-16	2016-17	2017-18
69	94	91	94

How we have transformed our business in the last four years

2013-14	2017-18
₹ (50.33) crore EBIDTA in 2013-14	₹ 11.70 crore EBIDTA in 2017-18
(302)% EBIDTA margin in 2013-14	5.36% EBIDTA margin in 2017-18
₹ (79.36) crore PAT in 2013-14	₹ 10.31 crore PAT in 2017-18
(476)% PAT margin in 2013-14	4.74% PAT margin in 2017-18
₹ 255 crore Debt as on 31st March 2014	₹ 127 crore Debt as on 31st March 2018
₹ (293) crore Net worth on 31st March 2014	₹ (85) crore Net worth as on 31st March 2018

How we have transformed and reinvented over the last few years

REINVENTION 01

The Company was debt-heavy until 2017-18

*The Company's peak debt stood at ₹320 crore in 2013

*The Company came under the BIFR ambit in June 2012

* The Company has settled ₹40 crore and have negotiated remaining amount at ₹45 crore of total debt of ₹320 crore in last three years

REINVENTION 02

The Company was solely engaged in the packaging business till 2012

*The Company began manufacturing packaging material in 2005

*The Company entered the consumer product business

*The Company generated 94% of its revenues from the new business in 2017-18

* The conventional business revenues grew 14% in 2017-18

* The new business revenues grew 64% in 2017-18

REINVENTION 03

The Company had a negative net worth of ₹293 crore until 2014

*The Company halted operations in 2014; negative net worth increased to ₹293 crore

*The Company's debt settlement helped post a one-time profit of ₹71.5 crore –in Jun 2018

*The Company's direct selling business generated a net profit of ₹18 crore in 2017-18

*The Company raised ₹15 crore through warrants in FY2017-18

*The Company's net worth turned positive with ₹9 crore in June 2018

REINVENTION 04

The Company strengthened its direct marketing business

*The Company marketed unprocessed grain, clothes and fashion products as a part of its direct selling business

*The Company thereafter graduated to the marketing of processed grain

*The Company introduced wellness and personal care products

* The Company introduced organic plant nutrient products

* The Company now offers more than 2,600 SKUs, widening choice

The Managing Director's statement

The real India lies in its villages and semi-urban towns - 6,50,000 villages comprising around 900 million consumers accounting for about 50% of the country's GDP and 70% of the population.

For years, this segment of the population accounted for possibly the largest under-penetrated population in the world. There are indications that this population segment may be at the cusp of a rapid transformation. The offtake of FMCG in the rural market is expected to increase from approximately USD 20 bn in 2018 and is expected to cross USD 100 bn by 2025, an unprecedented opportunity.

This transformation is expected to be derived through an increase in per capita incomes and aspirations catalysed by the increased ownership of smartphones. Since the country's rural population is equivalent to the cumulative population of a number of countries, even a 1% increase in consumer product demand could create a significant opportunity for consumer-facing product companies.

Success in a challenging space

Even as the country's rural market is large and growing, it is also challenging.

For one, the country's rural market is price-sensitive and influenced by product unit pricing in multiples of ₹5 (₹10/15/25) per unit, making it imperative to introduce quality products at the right price points.

The other challenge lies in the high delivery cost in servicing semi-urban distributors and customers. Over the last few years, RMCL has selected to deliver products to shops and marts by land. A distributor or customer gets quick service with the option to pick up the product from a nearby shop with no delivery charge, making it possible to not just save money but enhance footfalls.

In addition to online access, consumers need products to be physically available as well. RMCL services aspiring customers and distributors in small towns, villages and agriculture-dominated geographies.

In rural India, consumers need products in small and affordable SKUs. The Company introduced high-end products for aspiring distributors and smaller economical packs to attract first-time users. Besides, the Company is redesigning packaging around bulk packs to address demand from beauty parlours.

In rural India, consumers need one-stop solutions. In line with this, the Company strengthened its organic manure and additive segment that translated into a soil-to-harvest solution for distributors.

In rural India, most consumer brands focus on marketing a larger throughput. The Company is focused on the introduction of online and offline education tutorials for NIIT, IIT-JEE, competitive examinations and computer courses among others to attract students into the RMCL universe.

In rural India, there is a premium on the ability to extend from vertical to another. The Company is reinforcing its long-standing FMCG exposure with pharmaceutical products, addressing the growing needs of mid-range doctors, clinics and chemists.

In rural India, much of the distribution is geography-centric, with one individual responsible for overseeing a specific geography. The Company reinforced this conventional approach through the appointment of category heads.

In rural India, there is a premium on the need to enhance visibility. The Company opened more than 8,000 shops and approximately 300 marts, strengthening trust.

In rural India, most brands make do with whatever distribution personnel they get. The Company strengthened online trainings, 'live demo' and 'recorded programs.'

900
million consumers accounting for about 50% of the country's GDP and 70% of the population.

The direct selling business is driven by a sense of distributor belonging that empowers the distributor to buy all requirements from the Company.

The benefits of the asset-light Direct Selling model are visible only when the business matures in by the sixth year.

Besides, shops, marts and eagle distributors conduct product training sessions and sales skills training sessions, creating a single window system for product purchase, after-sales service, creation of model plots for farming, and answering queries related to incentives.

Growing our distribution competence

RMCL's reinvention of the consumer business was derived through a unique model, making it possible to address growing demand and distribution challenges.

Through the Company's network of warehouses, depots and stores, a distributor is always provided products even as neighbouring stores may not have the requisite inventory. Through this model, a distributor books the desired product based on the inventory lying at the nearby depot. A store calls for products from the depot based on a particular order. Consequently, a store owner does not block working capital but can market a larger inventory without buying. This online booking system enables a distributor to view products at proximate stores and depots making it possible for the store to work as a fulfilment centre.

In the business of rural product distribution, product ageing and non-sale represent the biggest challenges for the Company and its channel partners. The Company has countered this challenge by marking products around unique bar codes that make first in-first out possible and when products near expiry, these products are aggressively marketed through careful selection and packing into Trial packs or starter kits. The high sale of Starter Kits addresses slow-moving inventory.

What we achieved in 2017-18

The Company reported a decisive turnaround in 2017-18, sales being approximately 60% higher and a profit of ₹103.05 million compared with a loss of ₹33.88 million in the previous year.

During the year, the Company added new products and increased its market coverage through the addition of approximately 5000 shoppes.

A major achievement was the successful settlement/negotiation of ongoing ₹320 crore of long-term debt for ₹85 crore. The outstanding debt is payable across five years, helping moderate our interest outgo and strengthen profitability gradually.

The GST implementation had a positive impact on our business. Given the Company's presence across all Indian states, the taxation uniformity has reduced hassles.

Our agenda for an exciting 2018-19

In 2018-19, we are targeting to aggressively grow our direct selling business and expand our packaging business.

Our packaging capacities can generate a turnover approximately 2.5-2.8 times our assets. By the fourth quarter of the current year, we expect to increase our capacity utilisation from 3%-5% in 2017-18 to 45%.

In our consumer product business, we are targeting to offer additional services to our existing customer base of 4 million. We are introducing 'Notional Discount Cash or RMCL Cash' to be used for further purchases and services.

This 'Digital Discount Cash', which can be used across services (flight or hotel bookings, DTH recharge, mobile phone bill payments, electricity bill payments, gas payments, wallet transfers, among others) in addition to for RMCL Galaxy Mall purchases (comprising products offered by RMCL and third parties), opening up a larger market for RMCL. The Company's incentives will be directed towards securing 'future sales' through enhanced loyalty among distributors.

We are in the process of enhancing expertise in product knowledge, buying patterns and local preferences. We are hopeful of expanding the business without straining our working capital requirements.

The Company plans to start RMCL Cafés in most the marts, equipped with vending machines, microwave ovens, uniform furniture-cum-design and free Wi-Fi, making it possible to strengthen footfalls, visibility and word-of-mouth promotion (over the conventional costlier advertisement-driven route).

These initiatives could help the Company carve out a large market share of the direct selling industry in India.

Overview

The last four years were trying for the Company.

We have started building our direct selling business and expect to resurrect our packaging business.

We expect that a combination of two profitable businesses should enhance value in the hands of our stakeholders.

Mitesh Agarwal, *Managing Director*

The advantages of direct marketing business model over the conventional

- Lower investments to kick-start the business and nominal or no investment by associates – an asset-light approach.
- Offers personalised service resulting in better response to widening and growing consumer needs. Customers value the advantages of convenience, personalised attention, demonstration of product use or application, and wide products choice.
- Companies benefit from Direct Selling because of a direct, low cost, effective, and channel of distribution.
- Provides associates with flexible working time; more convenient for women to generate income.
- Encourages self-employment.

Our performance ambition

To grow revenues 10x by 2022

01

Demand drivers
- Under-penetration of direct selling in India
- Growing per capita incomes driving consumption
- Surge in smart phone availability and growing internet use driving people to lead better lifestyles
- Higher consumption is also driving use of packaging products

02

Probable goal contributor
- Strengthen consumer business product portfolio
- Create a deleveraged Balance Sheet
- Attain critical scale in the packaging business

03

Achievements
- Settled negotiation ₹320 crore of debt in the last three years
- Introduced new products in the consumer products business
- Raised ₹15 crore through issue of warrants in 2017-18

04

Financial performance, 2017-18
- Revenues improved by 60%
- EBITDA improved by 6.65%
- Post-tax profit improved by 624% from ₹(3.26) crore in 2016-17 to ₹10.31 crore in 2017-18

05

Key differentiators
- Focus on enhancing share of value-added products
- Providing 'right-to-sell' to associates to drive offtake
- Wider product range
- Strong relationship with clients
- Asset-light business model

STRATEGIC REINVENTION ...THROUGH TIMELY BUSINESS DIVERSIFICATION

When increased debt that had been mobilised to fund an aggressive expansion in our packaging business threatened the Company's viability when the global economy slowed, a number of observers advised the Company to wait for the economy to revive.

The Company did something contrarian instead. It selected to enter the direct selling business.

A culture of austerity induced by the Company's flagship business not doing well proved to be a blessing: the Company was encouraged to seek a better alternative over the unsustainable multi-layered high incentive-based selling model – the direct selling model.

The Company strengthened its direct selling model through the creation of a portfolio comprising quality products procured at a lower cost: it sold faster on the one hand and on the other it generated wider margins.

The Company's digital loyalty cash programme is expected to strengthen its incentive program. Besides, the Company is gradually moving towards ticket-funded training programs to reduce expenditure and enhance effectiveness.

The result: The Company added 3.8 millions associates in just four years, strengthening revenues from this business from scratch to ₹204 crore in 2017-18.

TACTICAL REINVENTION...THROUGH THE CREATION OF AN EFFECTIVE PRODUCT PORTFOLIO

In the competitive business of marketing consumer products, success is not merely derived from portfolio breadth but the delivery of the best quality product at the most affordable price.

RMCL focuses on offering products that are aspirational yet accessible, available and affordable.

The Company is one of the most successful players in the wellness category, providing a range of products.

It entered the organic plant nutrient segment, one of the most attractive segments.

It offers more 2,600 SKUs across different product segments, servicing a wide consumer class.

It targets products whose relevance and popularity have already been established, de-risking the Company from concept risks or product acceptance failures.

It matches the best product quality standards around the best price, creating a distinctive value proposition.

The result is the Company reported a CAGR of 64% in revenues in the last four years from the direct selling business.

Our product portfolio

Offers more than 2,600 product SKUs

Focuses on packaged food products, wellness products, personal care products and plant nutrients

Provides superior alternative to existing products

DISTRIBUTION REINVENTION... THROUGH A ROBUST DISTRIBUTION CHANNEL

n the business of direct marketing of consumer products, there is a premium on the ability to make products available whenever and wherever needed.

RMCL's marketing model revolves around the concept of direct selling/network marketing.

The Company strengthened this business through the following initiatives: creation of more than 38 lakh direct selling agents across more than 1800 towns, one of the largest dedicated to direct marketing in the country.

These associates, in turn, are supported by more than 11,000 retail stores and 125 warehouses, making it easy to procure products.

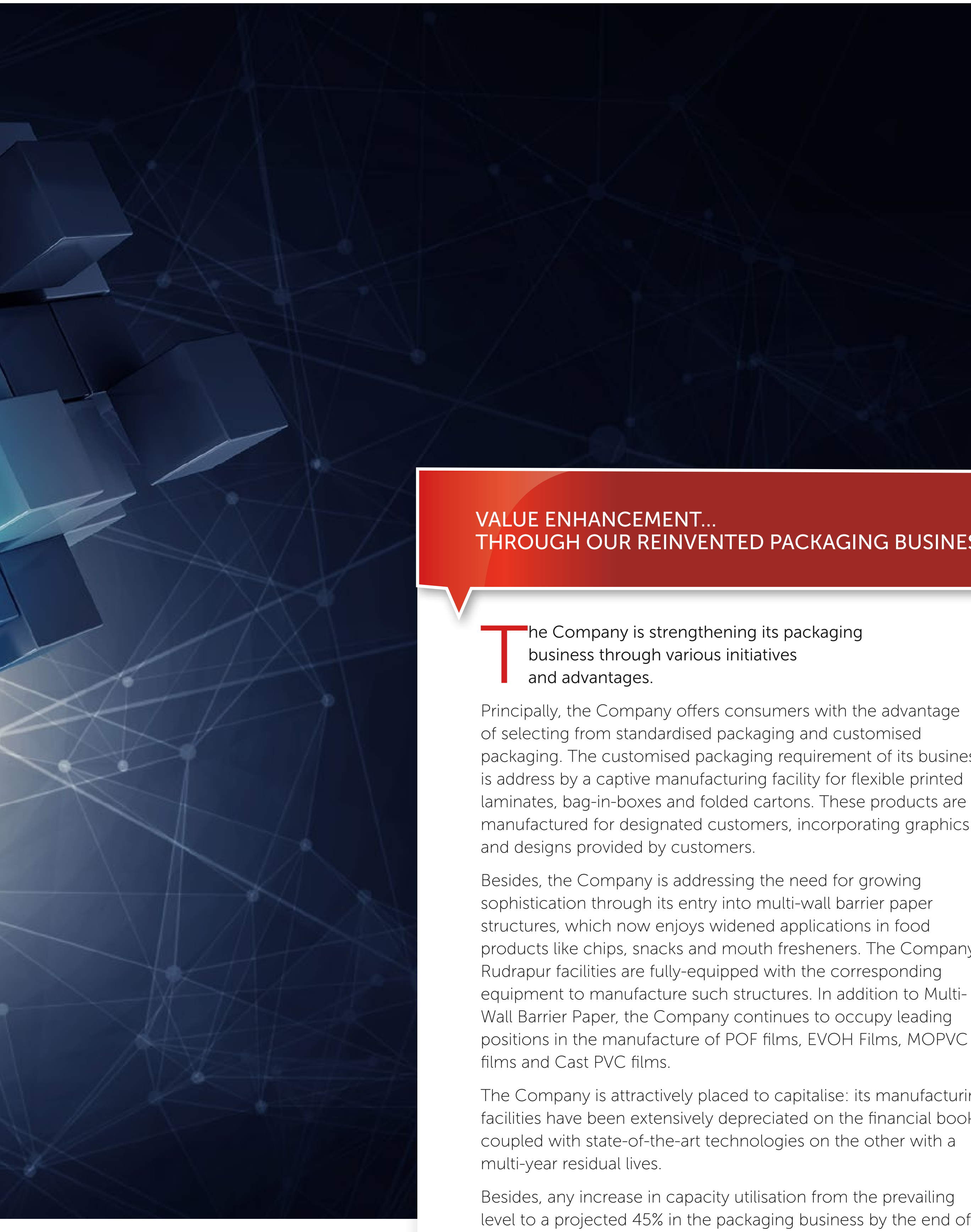
Besides, the Company created an online portal, listing all its products, providing customers with a convenient buying experience.

Our competence

*3 lakhs active associates generating an average of 2.50 lakhs transactions a month

*11,000 retail outlets backed by 125 warehouses

*110 products marketed every minute



VALUE ENHANCEMENT... THROUGH OUR REINVENTED PACKAGING BUSINESS

The Company is strengthening its packaging business through various initiatives and advantages.

Principally, the Company offers consumers with the advantage of selecting from standardised packaging and customised packaging. The customised packaging requirement of its business is address by a captive manufacturing facility for flexible printed laminates, bag-in-boxes and folded cartons. These products are manufactured for designated customers, incorporating graphics and designs provided by customers.

Besides, the Company is addressing the need for growing sophistication through its entry into multi-wall barrier paper structures, which now enjoys widened applications in food products like chips, snacks and mouth fresheners. The Company's Rudrapur facilities are fully-equipped with the corresponding equipment to manufacture such structures. In addition to Multi-Wall Barrier Paper, the Company continues to occupy leading positions in the manufacture of POF films, EVOH Films, MOPVC films and Cast PVC films.

The Company is attractively placed to capitalise: its manufacturing facilities have been extensively depreciated on the financial books coupled with state-of-the-art technologies on the other with a multi-year residual lives.

Besides, any increase in capacity utilisation from the prevailing level to a projected 45% in the packaging business by the end of FY19 and beyond, should translate into enhance return on capital employed and value in the hands of the stakeholders.

Our business model

Key features of the business model

- Synergy of offline and online business
- Widening product portfolio (private labels and third party products)
- Increasing customer base
- Margins-driven business
- Relationship-driven client retention

Sectoral relevance

Economic growth: Growing industrial activities, strengthening services sector along with a robust agricultural output are driving the growth of Indian economy and has positioned it as one of the fastest-growing economies in the world. These surging economic activities in the country resulting in growing consumption expenditure.

Growing population: India is the second-most populous country in the world and the population is growing at a rate of 1.11% per annum. With more than 50% of the population under 25 years of age, the country needs ways and means to create employment opportunities for all.

Per capita income: India reported a 8.6% growth in per capita income, from ₹1,03,870 in 2016-17 to ₹1,12,835 in 2017-18. Growing per capita income is driving consumption in the economy.

Growing rural incomes: Focus on enhancing farmer incomes along with increase in share of non-agriculture incomes for the rural population is driving rural consumption in the country. Besides, the Central Government's initiative of increasing support prices for crops and investment in bolstering farm infrastructure are going to strengthen the rural economy. Government initiatives like direct benefit transfer and *jan dhan* account are aiding in driving rural economy. A number of state governments announced farm credit waivers which are expected to enhance farmer cash flow and rural demand.

GST gamechanger: GST has been the biggest game changer for the country and specifically for the FMCG sector. In the pre-GST period, FMCG products were taxed at 22-24%; following GST, this declined to 5-18%. Besides, a major impact came in the form of declining logistics cost which helped the FMCG companies.

Opportunity: The direct selling industry in the country is comparatively under-penetrated but has high potential for growth. With the Central Government issuing guidelines for the industry, the sector is expected to strengthen.

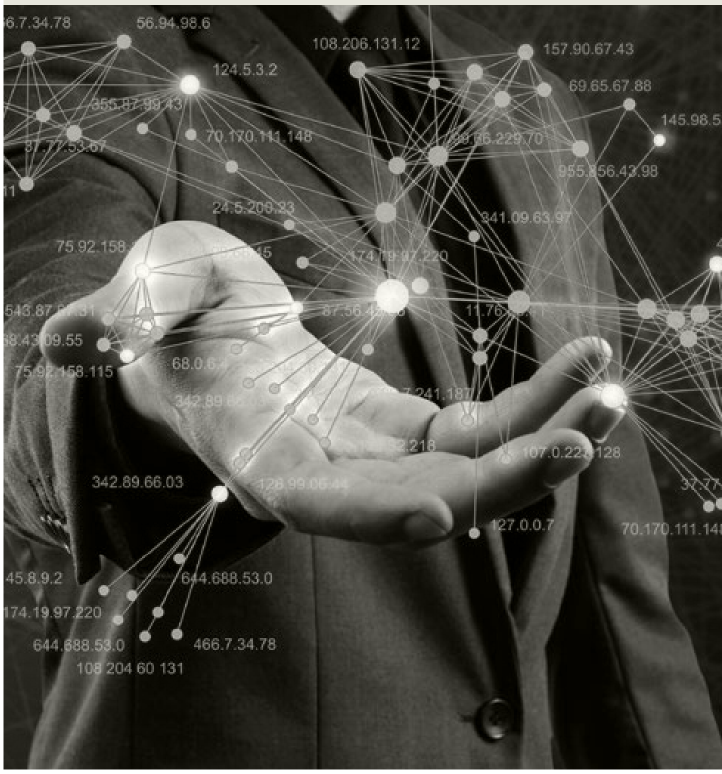
E-commerce: E-commerce in India is largely an urban phenomenon. The rural market for e-commerce is highly under-penetrated. With the growing usage of mobile data, the rural India is expected to drive next wave of e-commerce growth.

Direct selling business

Unique model: The Company has combined the features of brick-and-mortar stores with e-commerce in its business model where the consumers can physically experience the products at its store ans also access the entire portfolio of its own products and third-party products along with incentive calculation on its website *www.rmcluniverse.com*.

Strong base: It has a strong base of 3,00,000 active customers along with 11,000 stores, 125 warehouses spread across the length and breadth of the country enabling it to service a host of customers.

Affiliate marketing model: RMCL has adopted an affiliate marketing approach to stimulate sales by incentivising customers/members for making purchases themselves and/or selling products to other customers, in line with the strategy adopted by big players in the online travel space such as MakeMyTrip, Yatra and TripAdvisor. The incentives vary depending on the business value created by members. The Company created a robust IT platform and is upgrading its capabilities to handle the large traffic on its online portal of customers and members through initiatives such as launch of an integrated mobile application.



Portfolio: The Company has more than 2,600 private label products and also sells third-party products across different FMCG categories through both channels. The diverse portfolio helps the Company to provide a wide choice for the customers on the one hand and derisk itself from an over-dependence on any particular product category on the other.

Efficient: Unlike conventional e-commerce players who incur high logistics costs, RMCL enjoys a cost competitiveness owing to its large network of retail stores/warehouses and affiliate agents servicing the different parts of the country.

Effectiveness: The Company selects to introduce products with proven therapeutic effectiveness resulting in higher acceptability.

Affordable: RMCL targets aspirational quotient of customers by offering products with same or better features and similar quality vis-à-vis its competitors at an affordable price. RMCL is able to offer value-for-money proposition as its products are supported by cost effective manufacturing and lower advertisement and marketing expenses (which usually constitutes about 10%-15% for a typical FMCG company). Additionally, in-house designing, designing studios and packaging helps the Company to keep costs low and provide customised solutions in low turnover time.

Increasing portfolio: Having started the consumer products business with 150 products, the Company grew its portfolio in the last four years. It started with unprocessed food products, clothing and fashion products and gradually introduced processed food products, personal care products, wellness products, agro nutrients and other household products.

Asset-light: The Company has invested in a business model which is easily scalable owing to is asset-light model where the Company has tied up with third party manufacturers across the country. It helps it in being closer to key markets on the one hand and quickly ramp up its business on the other.

Technology: The heart of an e-commerce platform is its technological foundation and RMCL invested in state-of-the-art technology platform to provide a seamless experience to its users. The platform is capable of handling more than 1,500 transactions at any point of time.

Margin: A wide range of products has proved margin-enhancing, increasing from 8.30% to 10.50% in 2017-18.

Strategy: The Company follows a unique strategy of targeting tried-and-tested segments, making it possible to launch products in a short time, protecting itself from potential failures, eliminating the need for market research or awareness programmes related to enhancing segment visibility.

Packaging business

Modern: The Company invested sophisticated plant and machinery on the one hand and multi-process value-added infrastructure on the other. The Company manufactures base films, structural lamination films and inks among others to complement processes like metallisation, printing, lamination, slitting and pouching.

Scalable: Out of the installed capacity, the Company is capable of utilising 45% across the next 4 quarters while allocating the rest of the capacity to job work.

Specialized: Besides multi-wall barrier paper, the Company is the only player possessing the capability to manufacture of POF films, EVOH films, MOPVC films and Cast PVC films, ensuring higher brand recall and market share.

Synergic: A presence in the direct selling business has empowered the Company to negotiate better with clients while offering contract manufacturing/private label manufacturing capabilities to external clients.

Customised: The Company offers customised solutions comprising flexible printed laminates, bag-in-boxes and folded cartons.

Corporate

Deleveraged Balance Sheet: Over the last three years, the Company repaid/settled 87% (total borrowing ₹320 crore in 2013 to ₹42 crore in June 2018) of its long-term debt which helped moderate its debt-equity ratio.

Profitable: Owing to the large portfolio of private labels, lower distribution/marketing costs and wider presence, RMCL's e-commerce business has been profitable since the beginning compared to major online retailers still struggling to break even.

Management discussion & analysis

Global economic overview

In 2017, a decade after the global economy spiralled into a meltdown, a revival in the global economy became visible. Consider the realities, every major economy expanded and a growth wave created jobs. This reality was marked by ongoing growth in the eurozone, modest growth in Japan, a late revival in China and improving conditions in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, 60 bps higher than the previous year. Crude oil prices increased in 2017, with a price of US$54.13 per barrel at the beginning of the year, declining to a low of US$46.78 per barrel in June 2017 and closing the year at US$61.02 per barrel, the highest since 2013.

- **The US:** The world's largest economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016) catalysed by the spillover arising out of government spending by the previous administration coupled with $1.5 trillion worth of tax cuts stimulating investments. Private consumption continued to grow at a robust pace despite modest real income gains and moderate wage growth, as the personal savings rate fell further.

- **Eurozone:** The European economy performed significantly better than expected in 2017, propelled by resilient private consumption, stronger growth around the world, and falling unemployment rates. Investment also picked up amid favourable financing conditions and a considerably brightened economic scenario. In 2017, eurozone estimatedly grew at a rate of 1.6% compared to 1.7% in 2016.

- **China:** China's growth estimated at 6.9% in 2017 up from a 26-year low of 6.7% in 2016, and beating the government's target of 6.5%. China witnessed the fourth quarter growth rate of 6.8%, which remain unchanged from the third quarter. China's exports rose from the previous year to US$188.98 billion in October 2017. In 2018, China's growth was projected at 6.6%. (Source: WEO, NBS)

- **Emerging Asia:** The region continued to deliver strong growth, in the face of widespread concerns about growing protectionism, a rapidly ageing society, and slow productivity growth. Emerging Asia witnessed a GDP growth of 6.4% in 2017 following a rebound in trade and domestic consumption volumes.

- **GCC:** Being highly oil dependent economies, GCC countries have been deeply affected by the recent oil price drop (~60% since 2013), causing macro-economic instability that hindered job creation and slowed growth. The GDP growth across the region remained subdued at 1.8% in 2017 despite efforts to boost the non-oil private sector economic activities amid fiscal consolidation. (Source: World Bank)

- **Russia:** The economy is exiting a two year recession that, thanks to the authorities' effective policy response and the existence of robust buffers, proved shallower than past downturns. In 2017, Russia was estimated to grow 1.9% following negative growth of 0.6% in 2016 (WEO). In 2018, Russia's GDP growth is projected at 1.8%. (Source: MOMR)

- **Brazil:** In 2017, Brazil estimatedly grew at 1.1% following a deceleration of 3.5% in 2016. Improving demand, higher commodities prices and robust agricultural output boosted overseas sales in the third quarter.

Outlook

The outlook for advanced economies improved, notably for the eurozone, but in many countries inflation remained weak, indicating that prospects of GDP growth were being held back by weak productivity levels and rising dependency ratios. Prospects of emerging market and developing economies in sub-Saharan Africa, the Middle East, and Latin America remained lacklustre with several countries experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustments to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting an improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF)

Global economic growth for six years

Year	2014	2015	2016	2017	2018 (f)	2019 (f)
Real GDP growth (%)	3.5	3.2	3.1	3.8	3.9	3.0

[Source: World Economic Outlook, January 2018] f: forecasted

GDP growth rates of emerging Asian nations

	Cambodia	Laos	Myanmar	Philippines	Vietnam	Thailand	Malaysia	Indonesia
2017	6.8%	6.7%	6.4%	6.7%	6.7%	3.5%	5.8%	5.1%
2018*	6.9%	6.6%	6.7%	6.7%	6.5%	3.6%	5.2%	5.3%

*estimated

(Source: World Bank)

Indian economic overview

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated to be 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies. This was achieved on the back of lower inflation, an improved current account balance and a reduction in fiscal deficit-to-GDP ratio.

The year under review was marked by various structural reforms being undertaken by the Central Government. In addition to GST introduction, the year witnessed significant steps towards resolution of problems associated with NPA levels, FDI liberalisation, bank recapitalisation and privatisation of coal mines. After remaining in the negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18. Foreign exchange reserves rose to US$ 414 billion as on January 2018. (Source: CSO, Economic Survey 2017-18)

Outlook

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and a growth in the services sector are expected to continue supporting economic activity. Private investments are expected to revive as the corporate sector adjusts to the GST. Over the medium-term, the introduction of the GST is expected to catalyse economic activity and fiscal sustainability by reducing the cost of tax compliance drawing informal activity into the formal sector and expanding the tax base. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector balance sheets, enhance credit to the private sector and spur investment inflows. (Source: IMF, World Bank)

Estimation for the FY2017-18 versus FY2016-17

	2017-18*	2016-17
GDP growth	6.7%	7.1%
GVA growth	6.4%	9.0%
Farm growth	3%	9.0%
Manufacturing growth	5.1%	9.3%
Power and gas growth	7.3%	6.5%
Mining growth	3%	1.9%
Construction growth	4.3%	3.5%
Trade, hotel, transport, telecom growth	8.3%	9.8%
Financials, realty growth	7.2%	9.8%
Public, admin, defence growth	10.1%	16.6%
Per capita income growth	8.3%	9.7%

*Estimated
(Source: Press Information Bureau)

Key governmental initiatives and their impact on the economy

- **Bank recapitalisation scheme:** The Central Government announced capital infusion of ₹2.1 lac crore in public sector banks. The measure entailed a budgetary allocation of ₹76,000 crore by the Central Government, while the remaining amount is to be raised by the sale of recapitalisation bonds. (Source: KPMG)

- **Expanding road network:** To boost road infrastructure in the country and foster job creation, the Government of India announced a ₹6.9 lac crore investment outlay to construct 83,677 kilometres of road network, over a period of five years. The ambitious programme is expected to generate 14.2 crore man-day jobs for the country. (Source: KPMG)

- **Improving business ecosystem:** The country was ranked at the hundredth position, registering an improvement of 30 places, in the World Bank's Ease of Doing Business 2017 report. The significant jump was a result of the Central Government's pro-reform agenda, comprising measures such as passing of Insolvency and Bankruptcy Code, simplifying tax computation and merging applications for PAN and TAN. In addition, Aadhaar-based identification approach could further help streamline challenges pertaining to the regulatory regime. (Source: KPMG)

- **Goods and Services Tax:** The Government of India carried out a significant overhaul of the indirect tax regime and launched the GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services would be taxed as per five slabs (28%, 18%, 12%, 5% and zero tax). To reduce the short-term inflationary effect of GST, the GST Council cut tax rates on more than 250 goods and services by moving them to lower tax slabs in two separate rate cuts. Post-GST implementation, India's tax net expanded, as a 50% increase was recorded in unique indirect taxpayers. (Source: KPMG)

Global direct selling industry overview

The WFDSA (World Federation of Direct Selling Associations) has reported that the direct selling industry's sales volume stood at US$189.6 billion in 2017, representing an increase of 1.6% compared to previous year. The global industry's growth rate had been 6.1% in 2014, 7.6% in 2015, and 1.9% in 2016.

The Federation estimates that there were more than 116 million direct sellers in the world. Around 65 million of these were in Asia/Pacific, 33 million in Americas, and 15 million in Europe.

The WSFDA divides the world into five regional markets: Africa and the Middle East which is the smallest in volume, came up with the highest growth rate of 9.9%, followed by Europe which reported 3.5%, Asia-Pacific by 1.8%. The North American market reported a negative growth of 1.1% during 2017.

The wellness category kept its top place in 2017. Its share was 34%, almost the same what it was in 2016. Around 32% was cosmetics and personal care's share in the global direct sales in 2017. This was more than two points up from 2016.

The total share of the largest two product categories was 66%. In other words, about $2/3^{rd}$ of what is being sold through this channel is either cosmetics, personal care or nutritional products. These two categories were the strongest in Asia-Pacific where they accounted for 73% of the sales volumes.

The third-largest category in the world was household goods and durables with a 11% share.

[Source: https://www.worldofdirectselling.com/global-direct-selling-2017/]

Direct selling industry in India

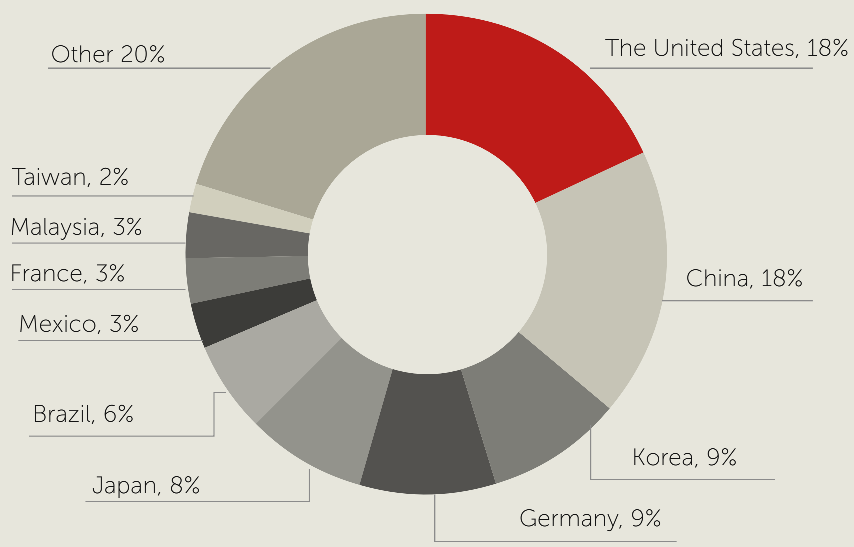
The direct selling industry in India has almost doubled since 2011 to reach ₹126.2 billion in 2016 and is expected to grow at a CAGR of about 4.8% to reach ₹159.3 billion in 2021, as per an ASSOCHAM study.

The average sales of each participant in India stood at about USD 300 per year i.e. ₹20,000, where the global average was about USD 1700 per participant per year or about ₹10,000 per month, reveals the ASSOCHAM paper.

The Indian direct selling industry employs close to 5.1 mn people out of which close to 53% are women.

India is a thriving market for direct selling. Even without the appropriate legislations, the industry has become a billion-dollar market. The direct selling industry doesn't just provide people with entrepreneurial opportunities but also acts as a training ground for skills development, and for women empowerment.

[Source: https://www.indiainfoline.com/article/capital-market-economy-reports/indias-direct-selling-industry-may-reach-rs-159-3-bln-by-2021-assocham-118010300172_1.html]



Top 10 Global Market

Key drivers of direct selling industry in India

- Direct Selling guidelines issued by the Ministry of Consumer Affairs
- Specific direct selling guideline implementation by various states
- Adequate support and training from direct selling organisations
- Employment opportunity and entrepreneurship
- Additional income source
- Flexible working hours
- Additional incentives provided by direct selling entities
- Continuous introduction of new products to expand consumer base

Global packaging sector

Overview

The global packaging market is estimated to total US$ 424 billion with an annual growth rate of 3.5%. Europe accounts for US$ 127 billion (30%), North America for US$ 118 billion (28%), Asia for US$ 114 billion (27%), Central America for US$ 30 billion (7%) and other countries for US$ 30 billion (8%). The global market for flexible packaging totalled US$ 104.527 billion in 2016. Over the coming five years it is expected to grow to US$ 138,680 billion. While the Asia-Pacific region is still the market leader in flexible packaging, demand from such threshold countries as China and India, Brazil and Mexico is rising. Packaging made of paper, cardboard and paperboard accounted for the lion's share at 46%. Packaging media sales: increased by 2.1% to reach €32 billion. By segments the production of steel-based metal packaging went up by 12.9%. Paper, cardboard and paperboard registered a 3.3% increase while glass and plastics lagged only slightly behind with a growth of 2% and 1.1%, respectively. The demand for packaging is rising disproportionately fast in threshold countries. The global e-commerce industry which includes online retail shopping has witnessed a substantial growth during the period between 2014 and 2017 and is expected to grow further due to increased penetration of internet in emerging nations such as India, China, Brazil, Mexico, and South Africa. This growth in online retail sales has boosted the demand for packaging products to ensure safe shipment of products. The main drivers for the global packaging sector are an increasing awareness among consumers about health and wellness, growing awareness about environmental issues and impact of various macroeconomic trends. (Source: Smithers Pira, prnewswire, Mintel, Interpack, Research and Markets)

Indian packaging industry

The Indian packaging industry was pegged at ₹35.42 billion in 2017, constituting ~4% of the global packaging industry. The per capita packaging consumption in India is quite low at 8.7 kilograms compared with countries like Germany and Taiwan where it is 42 kilograms and 19 kilograms, respectively. With retail and e-commerce growing rapidly, the future of the packaging sector appears to be upbeat. In India, the fastest-growing packaging segments are laminates and flexible packaging, especially PET and woven sacks. Flexible, rigid and metallic food packaging materials account for ~55% of the total food packaging material market, while printed cartons and rigid packaging segments together represent a 28% share in value terms. There are ~900 packaging machinery manufacturers, 90% of which are SMEs located all over India. Packaging machinery manufacturers in India find most of the demand for their products coming from the food processing and pharmaceutical sectors. The total Indian packaging machinery production in terms of value was ~US$ 520 million. The import of packaging machinery to India for 2016 was pegged at US$ 270 million. ~45% of packaging machinery and material produced was absorbed by the food processing sector, 30% by the pharmaceutical sector, 10% by the personal products sector and 15% for tea and coffee and industrial products sectors. (Source: BDB)

Outlook

As the requirement for packaging is rising across sectors and with traditional businesses preferring to package products, the sector is expected to continue growing at a robust pace, presenting potential growth opportunities for new entrepreneurs, and small and medium enterprises. Owing to the stupendous growth of global retail e-commerce packaging market, which is expected to cross US$ 21,669.7 million mark by 2022 (growing at CAGR of ~5.92% till 2022), the Indian packaging industry is estimated to reach a whopping US$ 73 billion by 2020. The industry will be driven by key factors like rising population levels, increasing incomes and changing lifestyles. Demand from rural sector for packaged products is being fuelled by increasing media penetration through internet and television. (Source: Indian Express, Indian Institute of Packaging, Economic Times, FICCI. TSMG)

Demand drivers

• **Economic growth:** A revival of the economy post-demonetisation and enforcement of GST are putting the country back on track. For instance, the GDP and economic reform programmes of the Central Government are indicating signs of recovery. The GDP is marked to pan out at 7.6% during 2018, giving a leg up to the automotive and automotive component manufacturing industries. The consumer price inflation is expected to spike to 4.4% in 2018-19, from the current 4%, interest rates may see a moderate hike and global crude oil prices are also not expected to spiral. A strong cyclical recovery in the global economy with the world growth projected at 3.7% in 2018, bank recapitalisation, rural revival, and reforms such as Insolvency and Bankruptcy Code by the government will also give a fillip to the sector. (Source: Economic Times, SIAM)

• **Growing retail:** A.T. Kearney's 2017 Global Retail Development Index, which ranks the top-30 developing countries in terms of retail investments, has awarded India with the numero uno position. The retail sector in India accounts for >10% of the country's GDP and employs ~8% of the workforce. Growing at a rate of 12% annually, the sector is valued at US$672 billion. Worldwide, the country is the fifth-largest retail destination, enjoying a share of 55% during FY2016-17. The immense growth is being fuelled by an increasing consumer base, rising incomes, growing aspirations, favourable demographics, easy credit availability and technological advancements coupled with the advent of social media. (Source: Economic Times, indiaretailling.com, PwC, Livemint, Financial Express)

• **Increasing rural consumption:** Back-to-back abundant monsoons have put back the rural economy on the growth track as the impact of demonetisation abated and availability of finance improved. Other factors such as crop prices (as determined by the minimum support price offered by the government), overall government spending on infrastructure, cash transfers and interest rates will also affect rural incomes. Road conditions, State Government spending depending on the election year and a continued recovery in the mining sector and commodity prices would also determine rural sales. (Source: Livemint)

• **Branding:** The increase in demand of branded products across the country is one of the biggest demand drivers for the packaging sector. The big brands are continuously coming up with different packaging which helps them rebrand certain products. Good packaging lures customers to the products and in turn increases brand recall as well.

• **Growing food and beverage industry:** Revenues earned by the food and beverages industry amounted to US$364 million in 2018. Revenues are expected to reach US$829 million by 2022, growing at a CAGR of 22.9% Owing to this, the packaging industry is expected to grow at a similar pace as well.

Governmental initiatives

• A corpus of US$ 31.79 million was allocated under the aegis of NABARD to provide cheaper credit to the food processing industry.

• Packaging machine manufacturers who are having manufacturing unit in the SEZs are exempt from paying excise duties.

• The Ministry of Commerce and Industry has constituted a standing committee to formulate packaging standards for export of 500 products including fresh fruits and vegetables, spices, tea, and coffee. The regulations will be in sync with those of developed markets such as the US, Vietnam, the European Union and Japan.

• The standing committee is also mandated to help introduce a degree course in packaging as an initiative to increase awareness about the matter. The committee will also engage in research of innovative materials for packaging of different products.

• The Indian Institute of Packaging is organising events to spread awareness about the importance of packaging.

Emerging trends

Packaged Planet: The throwaway culture of today will evolve into one that understands and embraces the role of packaging as a primary means to reduce global food and product waste. Consumers have long considered packaging as often unnecessary and ultimately as just waste to be disposed of. But that misconception is now changing. A focus on package innovations that extend food freshness, preserve ingredient fortification, and ensure safe delivery is increasingly benefiting consumers. Brands will need to act fast by exploiting on-pack communication tools to educate consumers to the benefits packaging can bring, from extending shelf life of food to providing efficient and safe access to essential products in developed and underserved regions of the world.

• **Repackage:** As more and more consumers embrace online shopping, packaging will play a pivotal role in brands' and consumers' e-commerce experiences. Online shopping is becoming increasingly widespread around the globe and is near ubiquitous in some markets. However, while online shopping's key advantage is convenience, consumers expect more from their favoured brands. When designing packaging to be viewed online and transit packaging to be opened upon delivery in the home, the experience of e-commerce packaging must reflect consumer expectations from shopping with that brand in-store.

Clean Label 2.0: Aiming for packaging designs that enlighten consumers' purchase decisions, brands will reject approaches that offer too much or too little as they can leave shoppers more confused than informed. Today's consumers are more informed than ever; however, brands are in real danger of being rejected if consumers feel overloaded with information, leading to the questioning of provenance, authenticity, and transparency. The 'essentialist' design principle bridges the divide between not enough and just enough of what's essential for consumers to make an enlightened and confident purchasing decision. Brands must bring the next generation of clean label to packaging design to provide a moment of calm and clarity for shoppers in an increasingly hectic retail environment.

Sea change: Plastic packaging adrift in the world's oceans will become the catalyst driving brands to rethink packaging in a context consumers can understand and act upon. Concerns over safe packaging disposal will increasingly colour consumers' perceptions of different packaging types and impact shopper purchase decisions. Only by communicating that a brand is working toward a solution will this growing barrier to purchase be overcome. While collecting waste plastic from the sea to recycle into new packaging can raise consumer awareness, it won't solve the problem. In order to keep plastic out of the sea, a renewed effort toward the circular economy is needed to keep packaging material in use.

Renavigate: Brands will look to contemporary packaging formats to help reinvigorate the center-of-store aisles less visited by younger consumers. Young shoppers are increasingly 'shopping the periphery,' visiting the fresh and chilled aisles around the store perimeter and turning their backs on processed, ambient, and frozen offerings in the center of the store. The use of transparent materials, contemporary design, recyclability, or unique shapes can help draw in younger consumers to the store center, making it as appealing as the burgeoning perimeter to younger consumers.

(Source: Packaging World)

Company overview

Radha Madhav Corporation Limited grew to be the largest producer of cast and blown films in the Indian market. The Company has made a name for itself by addressing the existing and emerging needs of a fast-evolving industry. The Company's desire to manufacture products that stand for qualitative excellence has allowed it to be bestowed with the ISO 9001-2000-certification for packaging. All the facilities of the Company have been constructed in accordance with GMP norms. Furthermore, the Rudrapur facility of the Company is on the verge of receiving the HACCP certification. The Company has expended sizeable amounts of time and resources towards upping its technological quotient. Case in point: The Company's state-of-the-art manufacturing facility in Daman was set up at an investment of ₹1,750 million for manufacturing high-tech films. The facility is equipped with cutting-edge equipment and manned by seasoned sectoral personnel with a keen insight into customer buying patterns and usages. The Company operationalised the first mechanically operated line in India to produce polyvinyl chloride shrink films and is the only one to produce plastic optical fibre films in the subcontinent.

The Company has emerged as one of the forerunners in the Indian network marketing company with presence in food, personal care, wellness and agro-nutrient categories. The Company has more than 38 lakh direct associates supported by 11000 retail stores and 125 warehouses across the country.

Business review – 1

Direct selling business

Revenue in 2017-18	₹204 crore
Proportion of total revenues	94%

Overview

RMCL entered the direct selling business in 2014-15. Over the last few years, the Company has created a strong base of more than 38 lakh associates across the country, with a large proportion of them coming from the Tier-II and III cities. The Company's associates are supported by more than 11,000 retail touchpoints and more than 125 depots/warehouses. The Company sells more than 2,600 SKUs across categories like food, personal care, wellness products and agri nutrients, among others.

Self-sustaining product and sales training modules: Product training is the key towards success of direct selling. In the initial phase, these training modules including sales skill training are a major cause of expense. When these training sessions become 'ticket-funded', the number of training sessions can be increased without worrying about expenses. During 2017-18, RMCL was able to attain the stage, wherein 'training modules' became 'ticket-funded'.

Technology: The Company is in process of adopting cutting-edge technologies. Post implementation of this technology, all the distributors would be able to create their own 'app'. This app would not just include their RMCL Universe business but also their individual business. These professionals include but not limited to lawyers, doctors, grocers, beauticians, farmers, suppliers, transporters, chemists, plumbers, carpenters, appliance repairers, home cleaners, wedding and event managers, pest controllers, painters, home movers, spa service providers, tax planners and professors, among others. They would be included in the ever-growing 'RMCL family'. By creating an app for RMCL, these professionals would have an access to more than 3.8 million distributors. The new RMCL Universe portal would be able to capitalise on these opportunities arising due to this growing number of professionals and distributors.

Since RMCL grew with modest capital infusion and limited domain knowledge, the portal is not comparable to those of industry leaders in the marketplace domain. To fill this gap, a massive technological overhaul is in place wherein all the application programmes of the portals are being segregated and given separate server spaces. Various APIs are being incorporated into the portal to enhance the shopping experience.

Product distribution system of the Company: The Company has seven warehouses including one at Daman. The Company's Rudrapur facility will act as an additional warehouse in the years to come.

It has approximately 125 depots depending upon the demand and distributor density. These depots supply products to shops and marts as per the product requisition note. The shops and marts can either sell the products to the distributor or can also sell the products to eagle distributors.

The eagle distributors are the main sales drivers as they are suitably incentivised. These distributors purchase products in range of ₹50,000 to ₹2,50,000 and sell the products to their friends, relatives and neighbours.

All these players in distribution channel work on an integrated portal. All the shops, marts and eagle distributors deposit the money in bank accounts of the Company. Upon receipt of the payment, the Company credits their wallets with equivalent value. Shops, marts and eagle distributors place their orders to the depots. Depots are allocated with credit limits against their security deposit. This credit limit is twice the value of security deposit. In the same fashion, depots place their orders with the warehouses.

Warehouses are fed directly from third-party vendors and the Company's own production units. Many a times, third-party manufactured products are also collated and sent to warehouses from the Company.

Inventory management: Inventory management is one of the major concerns for our business. To maintain large number of SKU at dispersed locations in the country, we rely on our inventory management module. However this module needs to be upgraded in the years to come. Most of our inventory is already in 'sold condition' and hence it does not really impact our bottomline. But having said that, we constantly work on devising solutions to improve our efficiency in terms of managing stocks.

RMCL believes that once a distributor joins the Company, he or she should buy everything from the RMCL stores. The Company targets to bring in all the possible products, a person needs for daily consumption, household and regular needs.

Our long-term relationship with vendors, in-house manufacturing facilities for majority of the products, in-house design studio, in-house packaging capabilities put us at an advantageous compared to our competitors. These facilities allow us to introduce products at a bare minimum cost. Any failed product is also not much of a concern as we are generally able to dilute the stocks to at least the cost price. Constant introduction of products puts us ahead of the competition.

Customer care: Customer care has been an area of challenge in the previous year. This was due to the fact that Company did not have trainers for all the introduced products. Now, since most of the products have become popular, the telephonic and web interface-based replies would improve substantially. We are in the process of implementing a technology based-platform for resolving queries related to incentive payouts and product deliveries, among others. In this system, tickets would be raised for individual complainants or information seekers. These tickets would automatically appear on desktops of higher authorities if not resolved by the concerned personnel.

Strengths

- Wide portfolio of 2,600 SKUs across categories helping the Company servicing needs of wide range of customers
- Adequate number of retail touchpoints and stock points
- Strong network in Tier-II and III cities, which are largely untapped by other direct selling companies
- Focus on tapping existing segments by offering better products at attractive prices – helping reduce failure rates

Road ahead

FY2018-19 will witness an aggressive move being made by the Company so as to retain its bottomline. The Company has worked out a plan whereby not only the incentives would appear lucrative, but also secure future sales and induce loyalty among the distributors. With this strategy in mind, the Company is well-placed to carve out a huge market share in the direct selling industry.

A major portion of RMCL's business compensation plan incentive would be 'digital discount cash', which can be used for various services like flight booking, hotel booking, DTH recharge, mobile phone bill payments, electricity bill payments, gas payments and wallet transfers, among others. Besides, this 'digital discount cash' can be used for purchases on RMCL Galaxy Mall. RMCL Galaxy Mall will offer RMCL products as well as third-parties.

To generate demand for products, the Company would begin online sales for its distributors and customers. The existing shops would act as fulfilment centres to meet online demand. The new demand will excite shopkeepers to maintain larger inventories.

Business review – 2

Packaging business

Revenue in 2017-18	₹12.98crore
Proportion of total revenues	6%

Overview

The Company entered the packaging business in the early 2000s and is now considered as one of the most specialised packaging companies in India. More than 60% of the Company's product is used for captive consumption (for its consumer products) and the rest is sold in the market.

The Company's packaging business can be divided in to two segments. One segment is standardised packaging while the other is customised packaging. The term standardised packaging refers to the products that are general in specification and not manufactured for any specific customer. Such products generally do not involve any printing.

For customised packaging, we have a dedicated manufacturing facility for flexible printed laminates, bags-in-boxes and folded cartons. These products are specifically manufactured for designated customers and contain graphics and designs of the customers.

The Company has started a unique franchise model to sell its standardised products. It is called RMCL Retail and the portal name is *rmclretail.co.in*. The Company plans to merge RMCL retail franchises with RMCL Universe franchises. Through this model, the working capital needs for packaging business would substantially reduce.

Other than multi-wall barrier paper, we are still holding monopolistic or almost monopolistic position in POF films, EVOH films, MOPVC films and cast PVC films, among others. On the back of these realities, we hope to regain our lost market share with ease.

Strengths

- Only player in India present in a number of packaging product categories like multi-barrier paper, among others
- Completely depreciated assets to strengthen profitability
- Ability to manufacture customised products as per the requirements of the customers

Outlook

The Company is proposing a multi-wall barrier paper structure for wide arena of food products like chips, snacks and mouth freshener among others. The Rudrapur facilities are well-equipped with the machineries to manufacture such structures. Our state-of-the-art facilities capable of printing, laminating and slitting lends us a boost in this endeavour.

The packaging business infrastructure employs a combination of quality German, Korean and Swiss technologies that can go on for the next 20 years. The machineries are maintained under the supervision of an experienced team. We are optimistic of getting the packaging business back on track and break even by the fourth quarter of 2018-19.

The Company is also optimistic of the new notifications issued by the various State Governments. Subsequently, all FMCG companies are instructed to move towards recyclable and sustainable packaging over the next two years. This notification will help resurrect RMCL's packaging business.

The Company would also like to explore products wherein packaging cost is more than 25% of the product cost. Such products include shampoo sachets, cream and ointment sachets, single sachets of health-drink and single sachets of energy drinks, among others.

Financial review

The highlights of the Company's financial performance for the year ended March 31, 2018 are mentioned hereunder:

	(₹ crore)
Net revenues	217.55
Gross profit	11.70
Depreciation and amortisation	1.39
Profit before exceptional items and tax	10.31
Profit before tax	10.31
Profit after tax	10.31

Human resources

The Company believes that its competitive advantage lies within its people. The Company's people bring to the stage multi-sectoral experience, technological experience and domain knowledge. The Company's HR culture is rooted in its ability to subvert age-old norms in a bid to enhance competitiveness. The Company always takes decisions which are in alignment with the professional and personal goals of employees, thereby achieving an ideal work-life balance and enhancing pride association.

Internal control systems and their adequacy

The Company has an effective internal control system in place that ensures the internal processes comply with established business policies and procedures. The Board has adopted appropriate measures ensuring orderly and efficient conduct of its business. These controls have been designed to provide reasonable assurance with regard to adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Forward–looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual results could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any developments.

Risk management

Economy risk

A slowdown in the economy could jeopardise growth of the Company.

Mitigation

India is expected to witness accelerated growth in the current and next fiscal and is expected to consolidate its position as the fastest-growing economy in the world. The IMF predicts that the country will report an economic growth 7.4% in FY19 and 7.8% in FY20.

Product portfolio risk

An inadequate product portfolio may impede corporate growth.

Mitigation

The Company over the years has expanded its product portfolio across diverse categories like agri staples, personal care, wellness and organic plant nutrients, among others. The Company has a wide range of more than 2,600 SKUs, helping it service a broad base of customers with diverse demands.

Distribution risk

An inefficient distribution channel could impact product sales.

Mitigation

The Company has more than 38 lakh direct associates with close to 3 lakh active associates selling its products every month. The associates are supported by 11,000 retail outlets and more than 125 warehouses across the country.

Strategy risk

The strategy to sell products through direct associates may not be fruitful.

Mitigation

The Company's direct selling business reported a 155% growth and increased the number of direct associates by 600% in the last four years.

Debt risk

High debt on books could impact the growth of the Company.

Mitigation

In the last three years, the Company settled/negotiated its debt obligations worth ₹320 crore for ₹85 crore, deleveraging the Balance Sheet.

Business scale up risk

The Company may not be able to scale up its business infrastructure in line with the demand growth for its products.

Mitigation

The Company has adopted an asset-light business model that helps if quickly scale up its business, commensurate with the demand for its products. It also helps the Company in selecting manufacturing locations closer to its key markets to derive supply chain-related benefits and rationalise logistics costs.

Directors' Report

Dear Shareholders

The Directors have pleasure in presenting the Fourteenth Annual Report together with the Audited Accounts for the accounting year ended on 31st March, 2018.

1. FINANCIAL STATEMENT & RESULTS:

a. **Financial Results:**

The Company's performance during the year ended 31st March, 2018 as compare to the previous year, is summarized below:

(₹ in million)

Particulars	(31.03.2018)	(31.03.2017)
Net Revenue from operation and other Income	2179.74	1379.52
Profit (Loss) before Finance cost & Depreciation	116.95	(18.44)
Less: Finance cost	00.00	00.00
Less: Depreciation & amortization	13.90	15.44
Profit After Depreciation & before Exceptional Items &Tax	103.05	(33.88)
Profit /(Loss) after tax	103.05	(33.88)
Other Comprehensive income	00.40	01.35

b. **Operation and state of affairs of the company:**

i. The Total Income of the company for the financial year under review has been increased from ₹1379.52 millions in FY 2016-17 to ₹2179.74 millions in FY 2017-18.

ii. Net revenue from operations has increased by 58.00%, from ₹1379.52 million to ₹2179.74 million.

iii. Net Profit for the year increased by 404.16%, from (₹33.88) million to ₹103.05 million.

iv. Earnings per share have increased by 390.20% from (₹0.51) to ₹1.48.

c. **Subsidiaries:**

The Company does not have any subsidiary.

d. **Associates:**

The Company has no associates Company.

e. **Dividend:**

No Dividend was declared for the current financial year due to conservation of Profits by the Company.

f. **Transfer to Reserves:**

No amount was transferred to the reserves during the financial year ended 31st March, 2018.

g. **Fixed Deposits:**

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 (the Act) and the Companies (Acceptance of Deposits) Rules, 2014.

2. DISCLOSURE UNDER SECTION 134(3)(L) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

3. STATEMENT ON DECLARATION UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013:

The Board has received declaration from the Independent Directors under section 149(6) of the Companies Act, 2013 that they are not otherwise disqualified to be Independent Directors. The Board further states that all the Independent Directors are person of integrity and possesses relevant expertise and experience to discharge their duties and roles as Independent Directors of the Company.

4. STATEMENT UNDER SECTION 178:

Your Company had Constitute Nomination and Remuneration Committee as well as Stakeholders Relation Committee as contemplated under section 1178(1) of the Companies Act, 2013. The Nomination and Remuneration Committee consider that the Qualifications, Experience and positive attributes of the Directors on the Board of the Company are sufficient enough to discharge their duties as such.

During the financial year 2017-18, the Company has not paid sitting fees to the Independent Directors only for attending Board and Audit Committee meetings.

5. BOARD'S EXPLANATION ON AUDITORS REPORT:

I. **Explanation on Statutory Auditors Report**

Management comment on observations made by Statutory Auditors on their report for the year ended 31st March, 2018.

Emphasis Matters: The Credit Control & Recovery Department has worked very hard and has shown great result. The Company is recovering the partial amount and they are confident to recover balance amount in reasonable time with ongoing expansion of business.

Inventories: Since Company has more than 10000 Franchisees & Depots, it is not practical to verify the stocks physically by company, company relies on its portal and depot staff/Franchise staff for physical verification of inventory, discrepancy if any has been accounted for in the books.

Repayment of Dues: Company has settled and paid all the dues of Bank of Baroda till 30.05.2018 as per OTS sanctioned by the bank.

II. **Explanation on Secretarial Auditors Report:**

Provision of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practising Company Secretary. Mr. Vipul Bheda, Company Secretaries had been appointed to conduct Secretarial Audit Report for the financial year 2017-18.

Secretarial Audit Report issued by Mr. Vipul Bheda, Company Secretaries in Form MR-3 (as per Annexure-I) for the financial year 2017-18 forms part to this report.

There are no qualified opinion but reservations or adverse remarks.

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review, the Company has not advanced any loans/ given guarantees/ made investments.

7. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

All the related party transactions are entered on arm's length basis and were in the ordinary course of business. All the Related Party Transactions were placed before the Audit Committee and the Board of Directors for their approval. The Audit Committee has granted omnibus approval for Related Party Transactions as per provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions entered into by the Company with Promoters, Directors or Key Managerial Personnel etc., which may have potential conflict with the interest of the company at large.

The particulars of Contracts or arrangements with related parties referred to in Section 188(1), read with Rule 15 of The Companies (Meetings of Board and Its Powers) Rules 2014 is appended to this report in prescribed Form AOC-2 as per Annexure-II.

8. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

9. DISCLOSURE OF ORDER PASSED BY REGULATORS OR COURT OR TRIBUNALS:

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations. However, members' attention is drawn to the note on Going Concern, Statement on Contingent Liabilities and Commitments in the notes forming part of the Financial Statements.

10. DISCLOSURE UNDER SECTION 43(A)(II) OF THE COMPANIES ACT, 2013:

The Company has not issued any shares with differential rights and hence no information is provided as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and shares with differential rights Debenture) Rules, 2014.

11. DISCLOSURE UNDER SECTION 54(1)(D) OF THE COMPANIES ACT, 2013:

The Company has not issued any sweet equity shares during the year under review and hence no information as per provision of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

12. DISCLOSURE UNDER SECTION 62(1)(B) OF THE COMPANIES ACT, 2013:

The Company has not issued any equity shares under Employee Stock Option Scheme during the year under review and hence no information is provided as per provision of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

13. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:

During the year under the review, there were no instances of non-exercising of voting right in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debenture) Rules, 2014 is furnished.

14. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

BOARD OF DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and Article of Association of the Company Mr. Mitesh A. Agarwal (DIN: 00060296) Director of the Company will retire by rotation at the forthcoming Annual General Meeting who being eligible, offer himself for re-appointment. The Board recommends to the members the re-appointment of Mr. Mitesh A. Agarwal as a Director liable to retirement by rotation.

During the year, following changes are occurred in the Composition of the Board of Directors of the Company

Name	DIN/PAN	Designation at The Beginning / During The Financial Year	Date of Appointment/ Change In Designation Cessation	Nature Of Change (Appointment / Change In Designation/ Cessation)
Radheykrishna Rampyare Mishra	02553220	Non-Executive & Independent Director	29/09/2017	Cessation
Rajiv Prasankumar Nanavaty	02554841	Non-Executive & Independent Director	29/09/2017	Cessation
Subhash Agrawal	05155180	Non-Executive & Independent Director	29/09/2017	Cessation
Dayanand Kanjibhai Manju	07930692	Non-Executive & Independent Director	29/09/2017	Appointment
Jatin Gajubhai Patel	07930755	Non-Executive & Independent Director	29/09/2017	Appointment

BOARD MEETINGS:

During the financial year 2017-18, the Board of Directors of the Company, met [14] (Fourteen Times) times viz on 05/05/2017, 29/05/2017, 14/07/2017, 05/09/2017, 13/09/2017, 11/10/2017, 13/11/2017, 10/01/2018, 24/01/2018, 01/02/2018, 14/02/2018, 06/03/2018, 12/03/2013 and 29/03/2018. The details of which are also given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement.

DIRECTORS RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies, the reviews performed by Management and the relevant Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on 31st March, 2018.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors to the best of their knowledge and ability confirm:

a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) That we 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;

c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) That the annual accounts have been prepared on a going concern basis;

e) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively;

f) That proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

NOMINATION AND REMUNERATION COMMITTEE:

In adherence of section 178(1) of the Companies Act, 2013, the Board of Directors of the Company approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are – Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (other than Managing / Whole-time Directors), Key-Executives and Senior Management and the Remuneration of Other Employees.

The Nomination and Remuneration Committee consists of Mr. Sheokumar M. Tripathi as a Chairman, Mr. Mitesh K. Patel and Mr. Jatin G. Patel as a Members of the Committee.

AUDIT COMMITTEE:

Audit Committee of the Board has been constituted as per Section 177 of the Companies Act, 2013 and rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and read with Regulation 18 of the Listing Regulations.

Presently, the Audit Committee consists of three Independent directors having Mr. Sheokumar M. Tripathi as a Chairman, Mr. Mitesh K. Patel and Mr. Jatin G. Patel as a Members of the Committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has constitute Stakeholders Relationship Committee under the provisions of Section 178 of the Companies Act, 2013. The Stakeholders Relationship Committee comprise of three Independent directors having Mr. Sheokumar M. Tripathi as a Chairman, Mr. Mitesh K. Patel and Mr. Jatin G. Patel as a Members of the Committee.

VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

The Board of Directors of the Company has, pursuant to the provisions of the Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings and its Powers) Rules, 2014 framed "Vigil Mechanism" for Directors and Employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on arising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the CFO or to the Chairman of the Audit Committee. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the CFO or to the Chairman of the Audit Committee.

The Company is committed to adhered to the highest standards of ethical, moral and legal conducts of business operations.

RISK MANAGEMENT POLICY:

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

CORPORATE SOCIAL RESPONSIBILITY (CSR) PLOICY:

The Company has constituted a Corporate Social Responsibility (CSR) Committee in compliance with Section 135 of the Companies Act, 2013. On the recommendation of the CSR committee, the Board has approved the CSR policy of the Company which is published on the Company's website.

The Corporate Social Committee comprise of three Independent directors having Mr. Sheokumar M. Tripathi as a Chairman, Mr. Mitesh K. Patel and Mr. Jatin G. Patel as a Members of the Committee.

ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

Provision of the Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The Schedule IV of the Companies Act, 2013 states that the performance evaluation of the Independence Director shall be done by the entire Board of Directors, excluding the directors being evaluated.

The Board at its meeting held on 29th March, 2018 has carried out an annual evaluation of its own performance, Committee and Individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under SEBI (LODR) Regulations, 2015.

The performance of the Board and Committee was evaluated by the Board with the help of inputs received from all the Directors and the Committee members on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, 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 ability to contribute and monitor our corporate governance practice, meaningful and constructive contribution in the issues discussed in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In 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 others 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 committee and individual directors was also discussed. Performance evaluation of Independent directors was done by the entire board, excluding the independent directors being evaluated.

The Board was overall of the opinion that the Independent Directors have contributed through the process of Board and Committee meetings of which they members in effective manners as per their expertise in their field and needs of the organization. The suggestions and contributions of the independent directors in the working of the Board/committee were satisfactory and the value addition made by such independent directors individually and as a team is commendable.

DISCLUSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURE AS PER RULE 5 OF COMPANIES (APPOITMENT & REMUNERATION) RULES, 2014:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the said information is available for inspection at Registered Office of the Company during working hours. Any member interested in obtaining such information may write to the Company Secretary, at the registered office and the same will be furnished on request.

PAYMENT OF REMUNERATION / COMMISSION / TO DIRECTORS FROM HOLDING SUBSIDIARY COMPOANIES:

The Company does not any holding / subsidiary company nor any remuneration / commission paid to the Directors.

15. APPOINTMENT OF AUDITORS:

STATUTORY AUDITORS

M/s. Kartik Joshi & Associates, Chartered Accountants (Firm Registration No. 132326W) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the Thirteenth Annual General Meeting till the conclusion of the Eighteenth Annual General Meeting of the Company, i.e. for a period of five years.

COST AUDITORS

As the Central Government has not prescribed the maintenance of Cost Records Under Section 148 (1) of the Companies Act 2003, in respect of the Company's products, so Cost Audit does not apply to the Company.

16. OTHER DISCLOSURES:

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

a. **Extract of Annual Return:**

   Pursuant tom the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March, 2018 made under the provisions of Section 92(3) of the Act is attached as per Annexure-III which form a part of this report.

b. **Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo:**

   The particulars as required under the provision of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo etc. are furnished below:

➢ **Conservation of energy:**

Steps taken or impact on conservation of energy	Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in batch cycle time and improved operations.
Steps taken by the company for utilizing alternate sources of energy	None
Capital investment on energy conservation equipments	Nil

➢ **Technology absorption:**

Efforts made towards technology absorption	New technology absorption efforts are being made on continuous basis.
Benefits derived like product improvement, cost reduction, product development or import substitution	Product output Improvement.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
• Details of technology imported	NA
• Year of import	NA
• Whether the technology is fully absorbed	NA
• If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA
Expenditure incurred on Research and Development	NIL

➢ **Foreign exchange earnings and Outgo:**

Particulars	(31.03.2018)	(31.03.2017)
Actual Foreign Exchange earning	NIL	NIL
Actual Foreign Exchange Outgo	0.11	NIL

c. **Corporate Governance:**

Report on Corporate Governance and Certificate of Auditors of your Company regarding compliance of the conditions of Corporate Governance as Stipulated in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015, are enclosed as a separate section and a part of this report in Annexure-IV.

d. **Prevention of Sexual Harassment:**

During the financial year ended 31st March, 2018 your Company has not received any complaint related to sexual harassment.

17. MANAGEMENT DISCUSSION AND ANALYSIS:

In terms of Regulation 34 of the Listing Regulations read with other applicable provisions, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis Report which forms part of this Annual Report. The report on Management's Discussion and Analysis is as per Annexure-V.

18. APPRECIATION:

The Directors take this opportunity to express their appreciation for continued co-operation and assistance extended by Investors, Government Authorities, Bankers, Suppliers and Customers. Your Directors look forward to their continued support. Last but not the least; your Directors also sincerely acknowledge the significant contributions made by the devoted workers, staff and executives for their dedicated services to the Company.

For and on behalf of the Board of Directors

Mr. Mitesh Agarwal
Managing Director & CEO
DIN: 00060296

Date : 01.09.2018
Place: Daman

Annexure-I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Member,
RADHA MADHAV CORPORATION LIMITED
Survey no.50/9/A, Daman Industrial Estate,
Village Kadaiya, Nani Daman-396210
UT of Daman & Diu.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. RADHA MADHAV CORPORATION LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has , during the audit period covering the financial year ended on March 31, 2018 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the 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 maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of ;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 (' SEBI Act');
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (e) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
   (f) The other regulations of the Securities and Exchange Board of India as may be applicable to the Company.
6. Other laws applicable to the Company as per the representations made by the Company.

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

I. The Secretarial Standards issue by the Institute of Company Secretaries of India which are not in force as on the date of this report.

II. The Listing Agreements entered into by the

Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to me, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc.

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.

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

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

Vipul Bheda
Company Secretaries

Sd/-
Vipul Bheda

Date : 01.09.2018 Mem No. : 10327
Place : Daman COP NO.: 13525

Annexure-II

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 arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: N.A.
2. Details of contracts or arrangements or transactions at Arm's length basis

Sr. No.	Name (s) of the related party & nature of relationship	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 of approval by the Board/ Members
	Abhishek Packaging Industries Partnership Firm	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties	01	N.A.	29.09.2017
	Maharashtra Polycane Industries Partnership Firm	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties.	01	N.A.	29.09.2017
	Radha Madhav Research and Trade Pvt Ltd	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties.	01	N.A.	29.09.2017
	Print Rite Partnership Firm	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties.	01	N.A.	29.09.2017
	Swati Packaging Partnership Firm	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties. 3. Rent	01	N.A.	29.09.2017
	Radha Krishna Industries Partnership Firm	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties. 3. Rent	01	N.A.	29.09.2017
	Careplus Industries Partnership Firm	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties.	01	N.A.	29.09.2017

Annexure-III

FORM MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2018

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L74950DD2005PLC003775
ii)	Registration Date	07.01.2005
iii)	Name of the company	RADHA MADHAV CORPORATION LIMITED
iv)	Category of the Company	Company limited by Shares
	Sub Category of the Company	Non-govt company
	Class of Company	Public
v)	Address of the Registered office and contact details	50/9A, DAMAN INDUSTRIAL ESTATE, VILLAGE KADAIYA, NANI DAMAN, UT OF DAMAN & DIU.
vi)	Whether listed company	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PVT LTD (formerly Intime Spectrum Registry Ltd) C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai-400083, Maharshtra.

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:-

Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
Manufacture of plastics packaging products- Film Sheet etc.	22201	5.97%
Other Retial Sale not in stores, stalls or markets	47990	94.03%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NIL	NIL	NIL	NIL	NIL

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				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	10828947	-	10828947	16.32	18328947	-	18328947	21.23	4.91
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**10828947**	**-**	**10828947**	**16.32**	**18328947**	**-**	**18328947**	**21.23**	**4.91**

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	
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Public Shareholding	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	172299	-	172299	0.20	0.20
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	150000	-	150000	0.23	755000	-	755000	0.87	-0.05
Sub-total (B)(1):-	**150000**	**-**	**150000**	**0.23**	**927299**	**-**	**927299**	**1.07**	**0.85**
2. Non-Institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	4322730	-	4322730	6.52	6349944	-	6349944	7.35	11.09
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹2 lakh	12359635	2635	12362270	18.63	11069616	2635	11072251	12.82	-5.81
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	31872216	-	31872216	48.04	43807970	-	43807970	50.74	11.14
c) Others (specify)	6806112	-	6806112	10.26	5855864	-	5855864	6.78	2.58
Sub-total (B)(2):-	**55360693**	**2635**	**55363328**	**83.45**	**67083394**	**2635**	**67086029**	**77.70**	**19.00**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**55510693**	**2635**	**55513328**	**83.68**	**68010693**	**2635**	**68013328**	**78.77**	**19.85**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**66339640**	**2635**	**66342275**	**100**	**86339640**	**2635**	**86342275**	**100**	**-**

(ii) Shareholding of Promoters

Sr No	Promoters Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Mitesh Anilkumar Agarwal	2555535	3.85	3.62	2555535	3.85	3.62	-
2	Abhisek Anilkumar Agarwa	2489275	3.75	-	2489275	3.75	-	-
3	Anil J Agarwal	5607471	8.45	-	13107471	19.76	-	11.31
4	Sulochnadevi Anilkumar Agarwal	171666	0.26	-	171666	0.26	-	-
5	Vandana Mitesh Agarwal	5000	0.01	-	5000	0.01	-	-
	Total	**10828947**	**16.32**	**3.62**	**18328947**	**27.63**	**3.62**	**11.31**

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

Sr No	Name and Type of Transactions	Shareholding at the beginning of the year		Transactions during the year		Cumulative Share-holding at the end of the yaer	
		No. of shares Held	% of total Shares of the Company	Date of transaction	No. of shares held	No. of shares Held	% of total Shares of the Company
1	MITESH ANILKUMAR AGARWAL	2555535	3.85	-	-	2555535	3.85
	At the end of the year					2555535	3.85
2	ABHISEK ANILKUMAR AGARWA	2489275	3.75	-	-	2489275	3.75
	At the end of the year					2489275	3.75
3	ANIL J AGARWAL	5607471	8.45	-	-	5607471	8.45
	Conversion of warrant into Equity Shares.			01.02.2018	75,00,000	13107471	11.31
	At the end of the year					13107471	11.31
4	SULOCHNADEVI ANILKUMAR AGARWAL	171666	0.26	-	-	171666	0.26
	At the end of the year					171666	0.26
5	VANDANA MITESH AGARWAL	5000	0.01	-	-	5000	0.01
	At the end of the year					5000	0.01

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

Sr No	Top ten Shareholders Name	Shareholding at the beginning/ end of the year			Changes during the year			Cumulative Shareholding during the year	
		Date	No. of Shares	% of total Shares of the company	Date	(+) Increase / (-) Decrease	Reason	No. of Shares	% of total Shares of the company
1	KHAZANA TRADECOM PRIVATE LIMITED	01.04.2017	00.00	00.00	31.03.2018	12500000	Conversion of Warrant into Equity Shares	12500000	14.4773
		31.03.2018					At the end of the year	12500000	14.4773

Sr No	Top ten Shareholders Name	Shareholding at the beginning/ end of the year			Changes during the year			Cumulative Shareholding during the year	
		Date	No. of Shares	% of total Shares of the company	Date	(+) Increase / (-) Decrease	Reason	No. of Shares	% of total Shares of the company
2	DINESH KUMAR AGRAWAL	01.04.2017	300000	0.3475	21.04.2017	15753	Purchase	315753	0.3657
					28.04.2017	1164240	Purchase	1479993	1.7141
					05.05.2017	16805	Purchase	1496798	1.7336
					21.07.2017	153202	Purchase	1650000	1.9110
					16.02.2018	(1650000)	Sales	00.00	00.00
		31.03.2018					At the end of the year	00.00	00.00
3	RABINDRA KAPUR	01.04.2017	1217572	1.4102	07.04.2017	10569	Purchase	1228141	1.4224
					14.04.2017	50000	Purchase	1278141	1.4803
					21.04.2017	8590	Purchase	1286731	1.4903
					28.04.2017	400	Purchase	1287131	1.4907
					05.05.2017	1000	Purchase	1288131	1.4919
					26.05.2017	10000	Purchase	1298131	1.5035
					04.08.2017	53000	Purchase	1351131	1.5649
					15.09.2017	250000	Purchase	1601131	1.8544
					03.11.2017	5000	Purchase	1606131	1.8602
					02.02.2018	25000	Purchase	1631131	1.8891
					16.02.2018	(1631131)	Sales	0	0.0000
					09.03.2018	1631131	Purchase	1631131	1.8891
		31.03.2018					At the end of the year	1631131	1.8891
4	JUNJHARJI INVESTMENT PVT LTD	01.04.2017	190308	0.2204	07.04.2017	(100000)	Sales	90308	0.1046
					14.04.2017	212692	Purchase	303000	0.3509
					21.04.2017	(3000)	Sales	300000	0.3475
					28.04.2017	(117500)	Sales	182500	0.2114
					05.05.2017	(2500)	Sales	180000	0.2085
					09.06.2017	5000	Purchase	185000	0.2143
					16.06.2017	4000	Purchase	189000	0.2189
					30.06.2017	(4000)	Sales	185000	0.2143
					07.07.2017	(5000)	Sales	180000	0.2085
					11.08.2017	130000	Purchase	310000	0.3590
					18.08.2017	100000	Purchase	410000	0.4749
					29.09.2017	10000	Purchase	420000	0.4864
					06.10.2017	(9500)	Sales	410500	0.4754
					20.10.2017	5000	Purchase	415500	0.4812
					10.11.2017	(5000)	Sales	410500	0.4754
					08.12.2017	(60000)	Sales	350500	0.4059
					15.12.2017	(50000)	Sales	300500	0.3480
					30.12.2017	(500)	Sales	300000	0.3475
					19.01.2018	450000	Purchase	750000	0.8686
					02.02.2018	(500000)	Sales	250000	0.2895
					16.02.2018	(250000)	Sales	0	0.0000

Sr No	Top ten Shareholders Name	Shareholding at the beginning/ end of the year			Changes during the year			Cumulative Shareholding during the year	
		Date	No. of Shares	% of total Shares of the company	Date	(+) Increase / (-) Decrease	Reason	No. of Shares	% of total Shares of the company
					09.03.2018	1550000	Purchase	1550000	1.7952
					16.03.2018	(422553)	Sales	1127447	1.3058
					23.03.2018	(21800)	Sales	1105647	1.2805
					31.03.2018	(15000)	Sales	1090647	1.2632
		31.03.2018					At the end of the year	1090647	1.2632
5	ARCADIA SHARE & STOCK BROKERS PVT LTD	01.04.2017	907393	1.0509	07.04.2017	2300	Purchase	909693	1.0536
					14.04.2017	(500)	Sales	909193	1.0530
					21.04.2017	50	Purchase	909243	1.0531
					28.04.2017	(14211)	Sales	895032	1.0366
					19.05.2017	23900	Purchase	918932	1.0643
					26.05.2017	(200)	Sales	918732	1.0641
					02.06.2017	(120)	Sales	918612	1.0639
					09.06.2017	(36068)	Sales	882544	1.0221
					23.06.2017	5000	Purchase	887544	1.0279
					30.06.2017	(11250)	Sales	876294	1.0149
					07.07.2017	(100)	Sales	876194	1.0148
					28.07.2017	1100	Purchase	877294	1.0161
					04.08.2017	(1000)	Sales	876294	1.0149
					25.08.2017	(500)	Sales	875794	1.0143
					01.09.2017	2250	Purchase	878044	1.0169
					22.09.2017	17568	Purchase	895612	1.0373
					29.09.2017	7030	Purchase	902642	1.0454
					06.10.2017	47459	Purchase	950101	1.1004
					13.10.2017	80177	Purchase	1030278	1.1932
					20.10.2017	(194175)	Sales	836103	0.9684
					23.11.2017	2050	Purchase	838153	0.9707
					10.11.2017	23310	Purchase	861463	0.9977
					17.11.2017	31972	Purchase	893435	1.0348
					24.11.2017	(427850)	Sales	465585	0.5392
					01.12.207	20000	Purchase	485585	0.5624
					08.12.2017	178878	Purchase	664463	0.7696
					15.12.2017	(96732)	Sales	567731	0.6575
					05.01.2018	810	Purchase	568541	0.6585
					12.01.2018	13704	Purchase	582245	0.6743
					19.01.2018	220127	Purchase	802372	0.9293
					26.01.2018	(67627)	Sales	734745	0.8510
					02.02.2018	313122	Purchase	1047867	1.2136
					09.02.2018	(500)	Sales	1047367	1.2130
					16.02.2018	(76870)	Sales	970497	1.1240
					23.02.2018	(970497)	Sales	0	0.0000

Sr No	Top ten Shareholders Name	Shareholding at the beginning/ end of the year			Changes during the year			Cumulative Shareholding during the year	
		Date	No. of Shares	% of total Shares of the company	Date	(+) Increase / (-) Decrease	Reason	No. of Shares	% of total Shares of the company
					02.03.2018	927389	Purchase	927389	1.0741
					09.03.2018	(25790)	Sales	901599	1.0442
					16.03.2018	(2887)	Sales	898712	1.0409
					23.03.2018	(55327)	Sales	843385	0.9768
					31.03.2018	136975	Purchase	980360	1.1354
		31.03.2018					At the end of the year	980360	1.1354
6	GANESHMAL KANTHILAL	01.04.2018	711120	0.8236	21.04.2017	(23000)	Sales	688120	0.7970
					19.05.2017	37300	Purchase	725420	0.8402
					09.06.2017	3500	Purchase	728920	0.8442
					07.07.2017	8800	Purchase	737720	0.8544
					11.08.2017	9650	Purchase	747370	0.8656
					18.08.2017	(10000)	Sales	737370	0.8540
					08.09.2017	18816	Purchase	756186	0.8758
					22.09.2017	40808	Purchase	796994	0.9231
					29.09.2017	(1)	Sales	796993	0.9231
					10.11.2017	(35000)	Sales	761993	0.8825
					09.02.2018	(20)	Sales	761973	0.8825
					16.02.2018	(761973)	Sales	0	0.0000
					09.03.2018	764727	Purchase	764727	0.8857
					16.03.2018	3897	Purchase	768624	0.8902
		31.03.2018					At the end of the year	768624	0.8902
7	ELARA INDIA OPPORTUNITIES FUND LIMITED	01.04.2014	00.00	00.00	16.03.2018	655000	Purchase	655000	0.7586
					23.03.2018	100000	Purchase	755000	0.8744
		31.03.2018					At the end of the year	755000	0.8744
8	SMC GLOBAL SECURITIES LIMITED	01.04.2018	93929	0.1088	07.04.2017	31778	Purchase	125707	0.1456
					14.04.2017	8162	Purchase	133869	0.1550
					21.04.2017	(38187)	Sales	95682	0.1108
					28.04.2017	(4073)	Sales	91609	0.1061
					12.05.2017	(500)	Sales	91109	0.1055
					19.05.2017	11250	Purchase	102359	0.1186
					26.05.2017	5750	Purchase	108109	0.1252
					02.06.2017	(3530)	Sales	104579	0.1211
					16.06.2017	(3550)	Sales	101029	0.1170
					23.06.2017	(26843)	Sales	74186	0.0859
					30.06.2017	(31260)	Sales	42926	0.0497
					07.07.2017	(4400)	Sales	38526	0.0446
					14.07.2017	25990	Purchase	64516	0.0747
					21.07.2017	5575	Purchase	70091	0.0812
					28.07.2017	(31600)	Sales	38491	0.0446

Sr No	Top ten Shareholders Name	Shareholding at the beginning/ end of the year			Changes during the year			Cumulative Shareholding during the year	
		Date	No. of Shares	% of total Shares of the company	Date	(+) Increase / (-) Decrease	Reason	No. of Shares	% of total Shares of the company
					04.08.2017	6200	Purchase	44691	0.0518
					11.08.2017	2760	Purchase	47451	0.0550
					18.08.2017	(9955)	Sales	37496	0.0434
					25.08.2017	7690	Purchase	45186	0.0523
					01.09.2017	2800	Purchase	47986	0.0556
					08.09.2017	(5400)	Sales	42586	0.0493
					15.09.2017	600	Purchase	43186	0.0500
					22.09.2017	(5300)	Sales	37886	0.0439
					29.09.2017	7200	Purchase	45086	0.0522
					06.10.2017	2051	Purchase	47137	0.0546
					13.10.2017	(6030)	Sales	41107	0.0476
					20.10.2017	1250	Purchase	42357	0.0491
					27.10.2017	52	Purchase	42409	0.0491
					03.11.2017	(4317)	Sales	38092	0.0441
					10.11.2017	(2795)	Sales	35297	0.0409
					17.11.2017	65257	Purchase	100554	0.1165
					24.11.2017	(1300)	Sales	99254	0.1150
					01.12.2017	(50500)	Sales	48754	0.0565
					08.12.2017	(300)	Sales	48454	0.0561
					15.12.2017	(1980)	Sales	46474	0.0538
					29.12.2017	1480	Purchase	47954	0.0555
					05.01.2018	2576	Purchase	50530	0.0585
					12.01.2018	2021	Purchase	52551	0.0609
					19.01.2018	3097	Purchase	55648	0.0645
					26.01.2018	500	Purchase	56148	0.0650
					02.02.2018	703	Purchase	56851	0.0658
					09.02.2018	(1269)	Sales	55582	0.0644
					16.02.2018	(55582)	Sales	0	0.0000
					02.03.2018	2000	Purchase	2000	0.0023
					09.03.2018	3500	Purchase	5500	0.0064
					16.03.2018	696316	Purchase	701816	0.8128
					23.03.2018	6000	Purchase	707816	0.8198
					31.03.2018	39612	Purchase	747428	0.8657
		31.03.2018					At the end of the year	747428	0.8657
9	NAVIN KUMAR BHARTIA	01.04.2018	00.00	00.00	21.07.2018	500000	Purchase	500000	0.5791
					29.09.2017	28267	Purchase	528267	0.6118
					06.10.2017	21733	Purchase	550000	0.6370
					13.10.2017	150000	Purchase	700000	0.8107
					03.11.2017	250000	Purchase	950000	1.1003
					16.02.2017	(950000)	Sales	0	0.0000

Sr No	Top ten Shareholders Name	Shareholding at the beginning/ end of the year			Changes during the year			Cumulative Shareholding during the year	
		Date	No. of Shares	% of total Shares of the company	Date	(+) Increase / (-) Decrease	Reason	No. of Shares	% of total Shares of the company
					09.03.2018	950000	Purchase	950000	1.1003
					31.03.2018	(250000)	Sales	700000	0.8107
		31.03.2018					At the end of the year	700000	0.8107
10	SURINDER KAUR	01.04.2018	764975	0.8860	19.05.2017	75000	Purchase	839975	0.9728
					26.05.2017	25000	Purchase	864975	1.0018
					23.06.2017	172500	Purchase	1037475	1.2016
					14.07.2017	(79000)	Sales	958475	1.1101
					21.07.2017	(99404)	Sales	859071	0.9950
					28.07.2017	(11270)	Sales	847801	0.9819
					29.09.2017	(270001)	Sales	577800	0.6692
					20.10.2017	3810	Purchase	581610	0.6736
					27.10.2017	(3810)	Sales	577800	0.6692
					03.11.2017	(50500)	Sales	527300	0.6107
					12.01.2018	(84055)	Sales	443245	0.5134
					09.03.2018	14956	Purchase	458201	0.5307
					31.03.2018	(14956)	Sales	443245	0.5134
		31.03.2018					At the end of the year	443245	0.5134
11	MALANI INFRACON PRIVATE LIMITED	01.04.2017	1660000	1.9226	14.04.2017	(300000)	Sales	1360000	1.5751
					03.11.2017	(250000)	Sales	1110000	1.2856
					22.12.2017	(100000)	Sales	1010000	1.1698
					19.01.2018	(500000)	Sales	510000	0.5907
					16.02.2018	(510000)	Sales	0	0.0000
					31.03.2018	250000	Purchase	250000	0.2895
		31.03.2018					At the end of the year	250000	0.2895
12	GLOBE CAPITAL MARKET LTD	01.04.2017	719494	0.8333	07.04.2017	(3430)	Sales	716064	0.8293
					14.04.2017	(2681)	Sales	713383	0.8262
					21.04.2017	(26124)	Sales	687259	0.7960
					28.04.2017	28711	Purchase	715970	0.8292
					05.05.2017	(16529)	Sales	699441	0.8101
					12.05.2017	965	Purchase	700406	0.8112
					19.05.2017	(5235)	Sales	695171	0.8051
					26.05.2017	1401	Purchase	696572	0.8068
					02.06.2017	27154	Purchase	723726	0.8382
					09.06.2017	(16864)	Sales	706862	0.8187
					16.06.2017	(16458)	Sales	690404	0.7996
					23.06.2017	2366	Purchase	692770	0.8024
					30.06.2017	(6725)	Sales	686045	0.7946
					07.07.2017	(16187)	Sales	669858	0.7758
					14.07.2017	17514	Purchase	687372	0.7961

Sr No	Top ten Shareholders Name	Shareholding at the beginning/ end of the year			Changes during the year			Cumulative Shareholding during the year	
		Date	No. of Shares	% of total Shares of the company	Date	(+) Increase / (-) Decrease	Reason	No. of Shares	% of total Shares of the company
					21.07.2017	(8357)	Sales	679015	0.7864
					28.07.2017	(12881)	Sales	666134	0.7715
					04.08.2017	6190	Purchase	672324	0.7787
					11.08.2017	(6064)	Sales	666260	0.7716
					18.08.2017	23994	Purchase	690254	0.7994
					28.08.2017	(50880)	Sales	639374	0.7405
					01.09.2017	6029	Purchase	645403	0.7475
					08.09.2017	98449	Purchase	743852	0.8615
					15.09.2017	(93290)	Sales	650562	0.7535
					22.09.2017	(36060)	Sales	614502	0.7117
					29.09.2017	(97970)	Sales	516532	0.5982
					06.10.2017	28392	Purchase	544924	0.6311
					13.06.2017	(494276)	Sales	50648	0.0587
					20.10.2017	1658	Purchase	52306	0.0606
					27.10.2017	6522	Purchase	58828	0.0681
					03.11.2017	(2649)	Sales	56179	0.0651
					10.11.2017	38197	Purchase	94376	0.1093
					17.11.2017	839	Purchase	95215	0.1103
					24.11.2017	1726	Purchase	96941	0.1123
					01.12.2017	(7395)	Sales	89546	0.1037
					08.12.2017	17051	Purchase	106597	0.1235
					15.12.2017	12054	Purchase	118651	0.1374
					22.12.2017	12848	Purchase	131499	0.1523
					29.12.2017	(12011)	Sales	119488	0.1384
					05.01.2018	16962	Purchase	136450	0.1580
					12.01.2018	49393	Purchase	185843	0.2152
					19.01.2018	651	Purchase	186494	0.2160
					26.01.2018	11920	Purchase	198414	0.2298
					02.02.2018	537	Purchase	198951	0.2304
					09.02.2018	(21374)	Sales	177577	0.2057
					16.02.2018	(177577)	Sales	0	0.0000
					16.03.2018	106112	Purchase	106112	0.1229
					23.03.2018	(5701)	Sales	100411	0.1163
					31.03.2018	(11622)	Sales	88789	0.1028
		31.03.2018					At the end of the year	88789	0.1028
13	SAVITA KHAITAN	01.04.2017	4669902	5.4086	07.04.2017	(200000)	Sales	4469902	5.1770
					14.04.2017	(245700)	Sales	4224202	4.8924
					21.04.2017	(100000)	Sales	4124202	4.7766
					05.05.2017	(100000)	Sales	4024202	4.6608
					30.06.2017	38035	Purchase	4062237	4.7048

Sr No	Top ten Shareholders Name	Shareholding at the beginning/ end of the year			Changes during the year			Cumulative Shareholding during the year	
		Date	No. of Shares	% of total Shares of the company	Date	(+) Increase / (-) Decrease	Reason	No. of Shares	% of total Shares of the company
					21.07.2017	(45361)	Sales	4016876	4.6523
					04.08.2017	(50681)	Sales	3966195	4.5936
					11.08.2017	15000	Purchase	3981195	4.6109
					29.09.2017	(815000)	Sales	3166195	3.6670
					06.10.2017	(280000)	Sales	2886195	3.3427
					20.10.2017	87749	Purchase	2973944	3.4444
					27.10.2017	51285	Purchase	3025229	3.5038
					03.11.2017	(302772)	Sales	2722457	3.1531
					10.11.2017	138113	Purchase	2860570	3.3131
					17.11.2017	(95377)	Sales	2765193	3.2026
					24.11.2017	(51)	Sales	2765142	3.2025
					01.12.2017	(338892)	Sales	2426250	2.8100
					08.12.2017	(70072)	Sales	2356178	2.7289
					15.12.2017	(1584)	Sales	2354594	2.7270
					22.12.2017	33969	Purchase	2388563	2.7664
					05.01.2018	(1100000)	Sales	1288563	1.4924
					12.01.2018	175589	Purchase	1464152	1.6958
					19.01.2018	(554308)	Sales	909844	1.0538
					26.01.2018	(655122)	Sales	254722	0.2950
					02.02.2018	729943	Purchase	984665	1.1404
					09.02.2018	(168700)	Sales	815965	0.9450
					16.02.2018	(815965)	Sales	0	0.0000
					09.03.2018	79670	Purchase	79670	0.0923
					16.03.2018	(42871)	Sales	36799	0.0426
					23.03.2018	2500	Purchase	39299	0.0455
					30.03.2018	(39299)	Sales	00.00	0.0000
		31.03.2018					At the end of the year	00.00	00.00
14	DIYA INFRACON PRIVATE LIMITED	01.04.2017	1670000	1.9342	11.08.2017	(330000)	Sales	1340000	1.5520
					03.11.2017	(150000)	Sales	1190000	1.3782
					16.02.2018	(1190000)	Sales	0	0.0000
		31.03.2018					At the end of the year	00.00	00.00
15	ISIKA INFRACON PRIVATE LIMITED	01.04.2017	1670000	1.9342	18.08.2017	(100000)	Sales	1570000	1.8183
					16.02.2018	(1570000)	Sales	0	0.0000
		31.03.2018					At the end of the year	00.00	00.00
16	MONEYPALM INVESTMENT SOLUTIONS PRIVATE LIMITED	01.04.2017	951731	1.1023	07.04.2017	(590124)	Sales	361607	0.4188
					14.04.2017	(133766)	Sales	227841	0.2639
					21.04.2017	7737	Purchase	235578	0.2728
					28.04.2017	(6212)	Sales	229366	0.2656
					05.05.2017	141000	Purchase	370366	0.4290

Sr No	Top ten Shareholders Name	Shareholding at the beginning/ end of the year			Changes during the year			Cumulative Shareholding during the year	
		Date	No. of Shares	% of total Shares of the company	Date	(+) Increase / (-) Decrease	Reason	No. of Shares	% of total Shares of the company
					12.05.2017	(102000)	Sales	268366	0.3108
					19.05.2017	28824	Purchase	297190	0.3442
					26.05.2017	50712	Purchase	347902	0.4029
					02.06.2017	73871	Purchase	421773	0.4885
					09.06.2017	70300	Purchase	492073	0.5699
					16.06.2017	7349	Purchase	499422	0.5784
					23.06.2017	(3367)	Sales	496055	0.5745
					30.06.2017	(39010)	Sales	457045	0.5293
					07.07.2017	(22747)	Sales	434298	0.5030
					14.07.2017	10737	Purchase	445035	0.5154
					21.07.2017	(12705)	Sales	432330	0.5007
					28.07.2017	14284	Purchase	446614	0.5173
					04.08.2017	40296	Purchase	486910	0.5639
					11.08.2017	546	Purchase	487456	0.5646
					18.08.2017	(21895)	Sales	465561	0.5392
					25.08.2017	(152760)	Sales	312801	0.3623
					01.09.2017	69278	Purchase	382079	0.4425
					08.09.2017	(94214)	Sales	287865	0.3334
					15.09.2017	111944	Purchase	399809	0.4631
					22.09.2017	(46751)	Sales	353058	0.4089
					29.09.2017	(222695)	Sales	130363	0.1510
					06.10.2017	33542	Purchase	163905	0.1898
					13.10.2017	(2404)	Sales	161501	0.1870
					20.10.2017	(212)	Sales	161289	0.1868
					27.10.2017	12225	Purchase	173514	0.2010
					03.11.2017	19917	Purchase	193431	0.2240
					10.11.2017	(1429)	Sales	192002	0.2224
					17.11.2017	10	Purchase	192012	0.2224
					12.01.2018	(30000)	Sales	162012	0.1876
					16.01.2018	(120560)	Sales	41452	0.0480
					23.02.2018	(41452)	Sales	0	0.0000
					09.03.2018	3600	Purchase	3600	0.0042
					23.03.2018	(3600)	Sales	0	0.0000
		31.03.2018					At the end of the year	00.00	00.00

(v) Shareholding of Directors and Key Managerial Personnel

Sr No	Directors and KMP Name	Shareholding at the beginning/ end of the year			Changes during the year			Cumulative Shareholding during the year	
		Date	No. of Shares	% of total Shares of the company	Date	(+) Increase / (-) Decrease	Reason	No. of Shares	% of total Shares of the company
1	ANIL JAYRAMDAS AGARWAL	01.04.2017	5607471	8.45	01.02.2018	75,00,000	Conversion of warrants in to Equity Shares	13107471	11.31
		31.03.2018					At the end of the year	13107471	11.31
2	MITESH ANILKUMAR AGARWAL	01.04.2017	2555535	3.85	-	-	-	2555535	3.85
		31.03.2018					At the end of the year	2555535	3.85
3	ABHISEK ANILKUMAR AGARWAL	01.04.2018	2489275	3.75	-	-	-	2489275	3.75
		31.03.2018					At the end of the year	2489275	3.75
4	NOOPUR NITESHWAR MISHRA	01.04.2018	-	-	-	-	-	-	-
		31.03.2018	-	-	-	-	-	-	-
5	SHEOKUMAR MUSAFIR TRIPATHI	01.04.2018	-	-	-	-	-	-	-
		31.03.2018	-	-	-	-	-	-	-
6	MITESH KANTILAL PATEL	01.04.2018	-	-	-	-	-	-	-
		31.03.2018	-	-	-	-	-	-	-
7	DAYANAND KANJIBHAI MANJU	01.04.2018	-	-	-	-	-	-	-
		31.03.2018	-	-	-	-	-	-	-
8	JATIN GAJUBHAI PATEL	01.04.2018	-	-	-	-	-	-	-
		31.03.2018	-	-	-	-	-	-	-
9	MANGESH GANGARAM SHETYE	01.04.2018	-	-	-	-	-	-	-
		31.03.2018	-	-	-	-	-	-	-
10	KEYUR ASHOK NAIK	01.04.2018	-	-	-	-	-	-	-
		31.03.2018	-	-	-	-	-	-	-

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	1558.96	-	-	1558.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1558.96**	**-**	**-**	**1558.96**
Change in Indebtedness during the financial year	**-**	**-**	**-**	**-**
• Addition				
• Reduction	(286.13)			(286.13)
Net Change	**(286.13)**	**-**	**-**	**(286.13)**
Indebtedness at the end of the financial year	**-**	**-**	**-**	**-**
i) Principal Amount	1272.83	-	-	1272.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1272.83**	**-**	**-**	**1272.83**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Name of MD/ WTD/ Manager	Gross salary					Commission				
	(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	Stock Option	Sweat Equity	as % of profit	others, specify…	Others, please specify	Total	Ceiling as per the Act
Anil Jayramdas Agarwal	-	-	-	-	-	-	-	-	-	-
Mitesh Anilkumar Agarwal	-	-	-	-	-	-	-	-	-	-
Abhisek Anilkumar Agarwal	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

B. Remuneration to other director - NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD Amount in ₹

Name of MD/ WTD/ Manager	Name	Gross salary					Commission			
		(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	Stock Option	Sweat Equity	as % of profit	others, specify…	Others, please specify	Total
Company Secretary	Mangesh Gangaram Shetye	1,80,000	-	-	-	-	-	-	-	1,80,000
CFO	Keyur Ashok Naik	1,80,000	-	-	-	-	-	-	-	1,80,000
Total	Total	3,60,000	-	-	-		-	-	-	3,60,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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					

For, RADHA MADHAV CORPORATION LIMITED

Mitesh Anilkumar Agarwal
Managing Director & CEO
DIN : 00060296

Abhisek Anilkumar Agarwal
Jt. Managing Director
DIN : 00071858

Date: 01.09.2018
Place: Daman

Annexure-III

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Part C of Schedule V the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations"]

The Members,

The Directors of the Company are pleased to present report on Corporate Governance for the financial year ended 31st March, 2018.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company has maintained high level of commitment towards effective Corporate Governance. The Company has over the years, apart from following the statutory requirements on Corporate Governance has initiated systems on transparency, disclosure, control, accountability, establishing trust with all stakeholders including the investors, employees, suppliers, customers and the medical profession at large. The Company is regularly guided by the professionals on the Board as well as the representatives of the foreign collaborators in evolving the culture. The company envisages the attainment of a higher level of transparency and accountability in the functioning of the company and the conduct of its business internally and externally.

2. BORAD OF DIRECTORS:

The Company understands that good and quality governance is a powerful competitive differentiator and critical to economic and social progress. The "Board", being the trustee of the Company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board of the Company is independent in making its decision and also capable and committed to address conflict of interest and impress upon the functionaries of the Company to focus on transparency, accountability, probity, integrity, equity and responsibility. Apart from that the Board also discharges its responsibilities / duties as mentioned under the provisions of Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations) land other applicable laws.

2.1. Composition of Board:

The Company's Board comprises of Directors in accordance with the provision of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 on Corporate Governance. The Non-Executive Directors bring an external and wider perspective confirming therewith in depth business deliberations and decisions advantage. The Board represents an optimum mix of professionals and experts.

The present strength of the Board is Eight (8) Directors out of which Two (2) are Executive Directors, Seven (7) are Non Executive Directors including Six (6) Independent Directors. The Chairman of the Company is Non-Executive Promoter Director.

2.2. Appointment & Tenure:

The Directors of the Company are appointed by members at the General Meetings and two-third directors, other than Independent Directors retire by rotation pursuant to the provisions of the Companies Act, 2013.

2.3. Board Independence:

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, all the Non-Executive – Independent Directors are independent in terms of the SEBI (Listing and Obligation Disclosure Requirement), Regulation, 2015.

- Composition of Board, Directorships and attendance of each Director at the Board of Directors Meetings and at the last AGM, is as follows:

Name of Director	Category of Directorship*	No. of Board Meetings attended	Last AGM Attended	No. of Directorship in other Companies incorporated in India	No. of Committee positions held in other Companies (other than RMCL in which Chairman / Members)		No. of Equity Shares Held as on 31st March, 2018
					Chairman	Member	
Mr. Anil J. Agarwal	Chairman, N.E.D.	14	Yes	NIL	NIL	NIL	13107471
Mr. Mitesh A. Agarwal	M.D.	14	Yes	NIL	NIL	NIL	2555535
Mr. Abhisek A. Agarwal	Jt. M.D.	14	Yes	NIL	NIL	NIL	2489275
Mrs. Noopur N. Mishra	I & N.E.D.	03	No	NIL	NIL	NIL	NIL
Mr. Sheokumar M. Tripathi	I & N.E.D.	08	Yes	NIL	NIL	NIL	NIL
Mr. Mitesh K. Patel	I & N.E.D.	10	Yes	NIL	NIL	NIL	NIL
Mr. Dayanand Kanjibhai Manju	I & N.E.D.	08	No	NIL	NIL	NIL	NIL
Mr. Jatin Gajubhai Patel	I & N.E.D.	08	No	NIL	NIL	NIL	NIL

Notes:-

1. N.E.D. – Non Executive Directors, M.D. – Managing Director, Jt. M.D. – Joint Managing Director, I – Independent Directors, N.E.D. – Non Executive Directors.
2. Number of Directorship in other Companies is excluding alternate directorship and Directorship in Foreign & Private Limited Companies.

- Number of Board Meeting held during the year along with the dates

During the F.Y. 2017-18, Fourteen Board Meetings were held as follows:

April 2017 to June 2017	July 2017 to Sept 2017	Oct 2017 to Dec. 2017	Jan 2018 to March 2018
05.05.2017	14.07.2017	11.10.2017	10.01.2018
29.05.2017	05.09.2017	13.11.2017	24.01.2018
	13.09.2017		01.02.2018
			14.02.2018
			06.03.2018
			12.03.2018
			29.03.2018

- Separate Meeting of Independent Directors:

The meeting of Independent Directors was held on Thursday, 29th March, 2018 and they inter alia discussed the performance of Non-Independent Directors and the Board as a whole; The performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; The quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform their duties.

- Familiarization Programme for Independent Directors:

All directors inducted to the Board are introduced to our Company culture through appropriate orientation sessions. Presentation made by the Chairman & senior management to provide an overview of our operations, and to familiarize the new non-executive directors with our operations. They are also introduced to our organization structure, our services, constitution, and board procedures, matters reserved for the Boards, and our major risks and risk management strategy. They seek to enable the Independent Directors to understand the business and strategy, and leverage their expertise and experience to the maximum benefit of the Company.

3. COMMIITTES OF BOARD:

The Board Committees are set up to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board Meetings for noting. The Board has currently established the following statutory and non-statutory Committees:

A. Audit Committee:

The members of the Audit Committee have wide exposure and knowledge in area of finance and accounting. The terms of reference of the Audit Committee have been in line with Regulation 18 of SEBI Listing Obligations and Disclosure Requirement, Regulations, 2015 and Section 177 of the Companies Act, 2013. The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

The terms of reference of the Audit committee are briefly described below:

1 Oversight of the Company's financial reporting process and the disclosure of its financial information.

2 Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3 Reviewing and monitoring the auditor's independence and performance

4 Recommending to the Board, the appointment and remuneration of Cost Auditor.

5 Approval of payment to statutory auditors for any other services rendered by the statutory auditors

6 Reviewing, with the management, the annual financial statements and quarterly financial statements

7 Reviewing with the management, performance of internal auditors and adequacy of the internal control systems.

8 Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and frequency of internal audit.

9 Discussing with internal auditors any significant findings and follow-up thereon

10 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

11 Discussion with statutory auditors before the audit commences.

12 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

13 To review the functioning of the Whistle Blower mechanism

14 Approval or any subsequent modification of transactions of the Company with related parties.

15 To evaluate internal financial controls and risk managements systems

16 Approval of appointment of CFO.

- **Composition:**

The terms of reference and powers of committee are in compliance with the provisions of the Listing Regulations on Corporate Governance and Section 177 of the Companies Act, 2013.

The Audit committee consists of Mr. Sheokumar M. Tripathi as a Chairman, Mr. Mitesh K. Patel and Mr. Jatin G. Patel.

- **Meetings:**

During the period, Five (5) meeting of the Audit Committee were held. The dates of Audit Committee meetings held during Financial Year 2017-18 are as follows:

April 2017 to June 2017	July 2017 to Sept 2017	Oct 2017 to Dec. 2017	Jan 2018 to March 2018
05.05.2017	05.09.2017	13.11.2017	14.02.2017
	13.09.2017		

- **Audit Committee attendance during the year is as under:**

Name	Designation	Category	No. of Meeting attended
Mr. Sheokumar M. Tripathi	Chairman	I & N.E.D.	2
Mr. Mitesh K. Patel	Member	I & N.E.D.	2
Mr. Jatin Gajubhai Patel	Member	I & N.E.D.	2

B. NOMINATION & REMUNERATION COMMITTEE:

In terms of Section 178(1) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement), Regulation, 2015, the Nomination and Remuneration Committee ("NRC").

The role of Nomination and Remuneration Committee in briefs is as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent directors.

- **Composition:**

Pursuant to provisions of Section 178 of the Companies Act, 2013 and other applicable provisions, the Remuneration Committee was reconstituted as "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee consist of Mr. Sheokumar M. Tripathi as a Chairman, Mr. Mitesh K. Patel and Mr. Jatin G. Patel are the Members.

- **Meetings:**

During the period, One (1) meeting of the Nomination Remuneration Committee was held. The dates of Nomination Remuneration Committee meetings held during Financial Year 2017-18 are as follows:

April 2017 to June 2017	July 2017 to Sept 2017	Oct 2017 to Dec. 2017	Jan 2018 to March 2018
	05.09.2017		

C. STAKEHOLDERS RELATIONSHIP COMMITTEE / STAKEHOLDERS' GRIEVANCE COMMITTEE:

- **Composition:**

The Company has Investor Grievance Committee which is renamed and reconstituted as Stakeholders' Relationship Committee. The Stakeholders Relationship Committee was formed by the Board of Directors of the Company and had delegated the authority to approve transfer of shares and to attend to the other share transactions including transmission, transposition, split, consolidation and issue of duplicate share certificate so as to expedite the process relating thereto.

The Stakeholders Relationship Committee consists of Mr. Sheokumar M. Tripathi as a Chairman, Mr. Mitesh K. Patel and Mr. Jatin G. Patel are the Members.

- **Meetings:**

The Committee met Four (4) times during the Financial Year 2017-18. For some periods there were no share transfers, therefore the share transfer committee meetings were not held.

- **Stakeholders Relationship Committee attendance during the year are as under:**

Name	Designation	Category	No. of Meeting attended
Mr. Sheokumar M. Tripathi	Chairman	I & N.E.D.	2
Mr. Mitesh K. Patel	Member	I & N.E.D.	2
Mr. Jatin Gajubhai Patel	Member	I & N.E.D.	2

- **Name, designation and address of Compliance Officer:**

Mangesh Gangaram Shetye, Company Secretary
B-204, Uphar C.H.S. Ltd.,
Western Express Highway, Dahisar (East),
Mumbai 400068,
Maharashtra.

- **Details of investor complaints/request received and redressed during the year 2017-18 are as follows:**

Number of shareholders' complaints/ request received	number not solved to the satisfaction of shareholders	number of pending complaints
00	00	00

4. CODE OF CONDUCT:

Whilst the Radha Madhav Corporation Limited Code of Conduct is applicable to the all Directors and employees of the Company the Board has also adopted a Code of Conduct for Non-Executive Directors, which incorporates the duties of Independent Directors as laid down in Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) 2015, both of which are available on the Company's website. All the Board members and Senior Management of the Company as on 31st March, 2018 have affirmed compliance with their respective Codes of Conduct. A declaration to this effect duly signed by the Chief Executive Officer, forms part of this report.

5. GENERAL BODY MEETINGS:

A. Annual General Meeting (AGM):

The details of last three AGM are as follows:

Financial Year	Date & Time	Location	Special Resolution
2015-16	AGM 30.09.2015 at 10:00 a.m.	Registered Office	1. To approve the Related Party Transactions. 2. Adoption of new set of Article of Association. 3. Adoption of new set of Memorandum of Association.
2016-17	AGM 30.09.2016 at 09:30 a.m.	Registered Office	1. To approve the Related Party Transactions.
2017-18	AGM 29.09.2017 at 09:30 a.m.	Registered Office	1. To approve the Related Party Transactions.

B. Extraordinary General Meeting (EGM):

The details of last three EGM are as follows:

Financial Year	Date & Time	Location	Special Resolution
2014-15	25.06.2014 At 05:00 p.m.	Registered Office	1. Related party transaction. 2. Increase of Authorised Share Capital and Consequent Alteration of Memorandum of Association and Articles of Association. 3. Preferential issue of equity shares of the Company.
2015-16	---	---	---
2016-17	23.11.2016 At 09:30 a.m.	Registered Office	1. To altered capital clause in the Article of Association. 2. To issue warrant on preferential basis to promoter and non promoter.
2017-18	---	---	---

C. Postal Ballot:

No Special Resolution was passed in the last year through postal ballot and at present no Special Resolution is proposed to be conducted through postal ballot. Hence, the provisions relating to postal ballot are not required to be complied with

6. MEANS OF COMMUNICATION WITH SHAREHOLDERS:

Half Yearly Report sent to each of Shareholders	As the quarterly Financial results of the Company were published in the newspapers, no separate half yearly report was sent to each shareholder.
Quarterly Results	The quarterly results of the Company were published in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
News papers in which results are normally published	1. Free Press 2. Savera India Times
Web site	www.rmclindia.co.in
e –mail:	Investor_complaint@rmclindia.co.in
Administrative Office :-	Survey No. 50/9/A, Daman Industrial Estate, Village Kadaiya, Nani Daman –396 210, UT of Daman & Diu.
Tel:-	91 - 260 – 6619000
Fax :-	91 – 260 – 6619010
Whether Management Discussions and Analysis report is a part of Annual report	Yes

7. GENERAL SHAREHOLDERS INFORMATION:

Registered Office	Survey No. 50/9A, Daman Industrial Estate, Village Kadaiya, Nani Daman –396 210, UT of Daman & Diu
Share Transfers in physical form and other communication in that regard including share certificates, dividends and change of address etc. may be addressed to	Link Intime India Private Limited Registrar & Share Transfer Agent C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai-400083, Maharshtra. Tel No.: 022 - 25963838 Fax No.: 022 – 25946969
Annual General Meeting of the Company to be held on	Date : 29th September 2018 Time : 9.30 a.m. Venue : Registered office, Daman
Financial Calendar (tentative)	First quarter - 2nd week of August, 2018 Second quarter - 2nd week of November, 2018 Third quarter - 2nd week of February, 2019 Fourth Quarter - 3rd week of May 2019
Book Closure dates	22.09.2018 to 29.9.2018 (both days inclusive).
Listing on Stock Exchanges	Bombay Stock Exchange Limited National Stock Exchange of India Limited
Listing Fees	Listing fees for all the aforesaid Stock Exchanges for the financial years 2018-2019 have been paid.
Bombay Stock Exchanges Limited (BSE) scrip Code:	532692
National Stock Exchange of India Limited scrip Code:	RMCL
ISIN NO.	INE 172H01014

Month wise Stock Market Data (BSE & NSE) relating to Equity Shares of the Company for the period ended March 31, 2018:

MARKET PRICE DATA

MONTH	BSE, MUMBAI			NSE, MUMBAI		
	Share Price			Share Price		
	High	Low	Average	High	Low	Average
April 2017	37.90	33.00	35.45	37.90	33.05	35.48
May 2017	36.30	32.00	34.15	36.00	31.45	33.73
June 2017	35.00	30.40	32.70	35.40	28.35	31.86
July 2017	36.40	30.15	33.28	36.25	30.80	33.53
August 2017	34.00	27.90	30.95	33.40	25.50	29.45
September 2017	39.90	27.80	33.85	39.45	27.60	33.53
October 2017	41.10	24.45	32.78	41.05	24.50	32.78
November 2017	30.90	24.65	27.78	30.85	25.05	27.95
December 2017	29.50	25.00	27.25	30.00	25.15	27.58
January 2018	30.00	24.50	27.25	29.90	24.50	27.20
February 2018	31.65	22.20	26.93	31.50	21.90	26.70
March 2018	29.85	23.00	26.43	29.70	22.90	26.30

Bombay Stock Exchange (BSE)
National Stock Exchange (NSE)
(Source-BSE & NSE)

Share Transfer System:

The Company's Registrar, M/s. Link Intime India Pvt. Ltd. has adequate infrastructure to process the share transfers. The Applications for transfer of shares received by the Company in physical form are processed and registered within 30 days of receipt of the documents valid in all respects. After such processing, the option of simultaneous dematerialization of the shares is provided to the shareholders. Shares under objection are returned within a week's time. The share transfer committee meets on a need basis to consider the transfer application and other proposals relating to transmission, transposition, split, consolidation and issue of fresh share certificate. In case if there are no transfers in particular period, share transfer committee meetings were not held. In compliance with listing agreement, every six months, a practicing Company Secretary audit the system of transfer and a certificate to that effect is issued.

Distribution of Equity Shareholding:

As on 31st March, 2018				
No. of Shares Held	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1 to 500	7783	65.5742	1457940	1.6886
5001 to 1000	1446	12.1830	1263157	1.4630
1001 to 2000	818	6.8919	1330039	1.5404
2001 to 3000	391	3.2943	1026161	1.1885
3001 to 4000	172	1.4492	619057	0.7170
4001 to 5000	223	1.8788	1083978	1.2554
5001 to 10000	341	2.8730	2596121	3.0068
10001 & above	695	5.8556	76965822	89.1404
Total	11869	100.00	86342275	100.00
Physical mode	4	00.03	2635	00.003
Electronic mode	11865	99.97	86339640	99.997
TOTAL	**11869**	**100.00**	**86342275**	**100.00**

Categories of Shareholders as on 31st March, 2018:

Sr. No.	Category	No. of Folios	Total Shares held	% to the Share Capital
1.	Other Bodies Corporate	222	6349944	7.3544
2.	Clearing Member	140	2837030	3.2858
3.	Foreign Company	-	-	-
4.	Foreign Institutions	1	102893	0.1192
5.	Trust	2	501	0.0006
6.	GIC & its subsidiaries	-	-	-
7.	Mutual Funds	-	-	-
8.	Financial Institutions / Nationalised Banks	-	-	-
9.	Non Nationalised Banks	1	69406	0.0804
10.	Non Residents Indians (REPAT)	57	470920	0.5454
11.	Non Resident Indians(Non REPAT)	34	229492	0.2658
12.	Overseas Corporate Bodies	-	-	-
13.	Public	10955	54880221	63.5612
14.	Promoters	5	18328947	21.2282
15.	Hindu Undivided Family	451	2317921	2.6846
16.	Foreign Portfolio Investors (Corporate)	1	755000	0.8744
	Total	**11869**	**86342275**	**100.00**

Details of Equity Shares Under lock-in period	No. of Shares
Dematerialization of shares	The equity shares of the Company are under compulsory dematerialized (demat) mode and are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 31st March 2018, a total of 86342275 Equity Shares of the Company forming 99.997% of the total paid up share capital stands dematerialized. All requests for dematerialization of shares are processed within the stipulated time. The identification allotted to the Company's Equity Shares is INE172H01014.
Plant Location	Appeared in the Annual Report elsewhere- 1. Unit I & III - Survey No. 51/3C, 541B & 54/2, 54/3A & 54/2D Daman Industrial Estate, Kadaiya Daman 2. Unit II - Survey No. 111, Daman Industrial Estate, Kadaiya Daman 3. Unit IV- Survey No. 107/2, 108/1 & 108/2 Daman Industrial Estate, Kadaiya Daman. 4. Uttaranchal Unit – SIDCUL, Plot No.66, Sector 4IIE, Pantnagar, Rudrapur, dist. Udhamsingh Nagar, Uttaranchal- India
Investors' correspondence to be addressed to:	Company Secretary and Compliance Officer Radha Madhav Corporation Limited Registered Office: Survey No.50/9 A, Daman Industrial Estate, Village Kadaiya, Nani Daman-396 210 (U.T. of Daman & Diu Telephone: + 91-260 -6619000. Fax : + 91-260 -6619010 E-mail : rmcl@rmclindia.co.in Investor Complaint Email ID:- investor_complaint@rmclindia.co.in

DECLARATION

I Mitesh Agarwal, Managing Director & CEO of Radha Madhav Corporation Limited hereby declare that all the members of the Board of Directors and the senior management personnel have affirmed compliances with the Code of conduct for the year ended 31st March, 2018.

By and on behalf of the board

Sd/-
(Mr. Mitesh Agarwal)
Managing Director & CEO
DIN: 00060296

Date : 01.09.2018
Place : Daman

Auditors' Certificate on Corporate Governance;

To
The Members
Radha Madhav Corporation Limited

I have examined the compliance of conditions of Corporate Governance by Radha Madhav Corporation Limited for the financial year 2017-18, as stipulated under Regulation 34 of SEBI (LODR) Regulations 2015.

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

In My opinion and to the best of our information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 34 of SEBI (LODR) Regulations 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company or the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Vipul Bheda
Company Secretaries

Sd/-
Vipul Bheda
Date : 01.09.2018 Mem No. : 10327
Place : Daman COP NO.: 13525

CEO-CFO Certificate

To
The Board of Directors
Radha Madhav Corporation Limited

I, Mitesh Agarwal, Managing Director & CEO of Radha Madhav Corporation Limited certify that:

a) I have reviewed the financial statements and the cash flow statement for the financial year ended 31st March 2018 and based on our knowledge and belief, I state that:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

b) I further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) I accept responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) I have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

   i. significant changes, if any, in the internal control over financial reporting during the year;

   ii. significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For Radha Madhav Corporation Limited

Sd/-

Date : 01.09.2018
Place : Daman

(Mr. Mitesh Agarwal)
Managing Director & CEO

Independent Auditors' Report

On the Standalone Financial Statements of Radha Madhav Corporation Limited

To,
The Members of
Radha Madhav Corporation Limited
Report on the Financial Statements

We have audited the accompanying financial statements of **Radha Madhav Corporation Limited**, which comprise the Balance Sheet as at **March 31, 2018**, the statement of Profit and Loss and the cash flow statement for the year ended on that date, and a summary of the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, Cash Flow and the statement of changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. 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, subject to the effect in the financial statements of the matters referred to in the preceding paragraph, the 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:

i. in the case of the Balance sheet, of the state of affairs of the Company as at March 31, 2018,

ii. in the case of Statement of Profit and Loss, the profit of the Company for the year ended on that date.

iii. in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

EMPHASIS MATTERS

We draw attention to following matter :

a. *The Outstanding balances as at the end under consideration in respect of sundry debtors, loans & advances and sundry creditors are subject to confirmation from respective parties and consequential reconciliation and adjustments arising there from if any. Consequential impact thereof on the financial results is not ascertainable. Company is in process of obtaining such confirmation since last many years which has resulted into departure from standard on auditing.*

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended; except as stated in Para b under the heading basis for qualified opinion.

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

(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 A"**.

(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

ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2015 ("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 B** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

For **KARTIK JOSHI & ASSOCIATES**
FRN No.132326W

(KARTIK JOSHI)
Partner
Chartered Accountants
Membership No.138152

Place:- Vapi
Date:- May 30, 2018

ANNEXURE A

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Radha Madhav Corporation Limited

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013. ("THE ACT")

We were engaged to audit the internal financial controls over financial reporting of **Radha Madhav Corporation Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 need to further improve the Internal Financial control in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting 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.

For **KARTIK JOSHI & ASSOCIATES**
FRN No.132326W

(KARTIK JOSHI)
Partner
Chartered Accountants
Membership No.138152

Place:- Vapi
Date:- May 30, 2018

ANNEXURE-B

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Radha Madhav Corporation Limited

On the basis of checks as considered appropriate and in terms of the information and explanations given to us, we report as under:

1. FIXED ASSETS:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As per the information and explanations given to us, physical verification of fixed assets has been carried out and no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.

2. INVENTORIES:

As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable and maintaining proper records of inventory *except for material lying on shop floor (work in process) and trading goods*.

3. LOANS:

As per the information furnished, the Company has not granted any loans, secured or unsecured, to companies, firms Limited liability partnership or other parties covered in the register maintained under Section 189 of the Companies Act.

(b) As the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, the Clause (iii)(a) (iii)(b) and (iii)(c) are not applicable.

4. LOANS, INVESTMENT GUARANTEES, AND SECURITY :

The company has not given any loans, investments guarantees, and security, hence the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable .

5. PUBLIC DEPOSITS:

The Company has not accepted any deposits during the period from the public within the meaning of the provision of Section 73 to 76 or any other relevant provisions of the Companies Act, and rules made there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other Tribunal.

6. COST RECORDS:

According to the information and explanations given to us the Central Government has not prescribed the maintenance of Cost Records Under Section 148 (1) of the Companies Act 2003, in respect of the Company's products.

7. STATUTORY DUES:

(a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, contribution to employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise-duty, cess and other statutory dues wherever applicable. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, no dues of sales tax, income- tax, customs, wealth-tax, service tax, excise duty, cess which have not been deposited on account of disputes except as mentioned below;

Nature of dues	*Disputed liability (in millions)*	*Unpaid disputed liability (in millions)*	*Authority where dispute is pending*
Excise & Service Tax	*14.45*	*11.45*	*High Court*
Excise & Service Tax	*7.80*	*7.80*	*Customs, Excise & Service Tax Appellate tribunal*
Excise & Service Tax	*7.78*	*7.52*	*Commissioner (Appeal)Central Excise & Customs*
Sales Tax	*19.09*	*19.09*	*Deputy Commissioner commercial Tax office*
Provident Fund	*12.28*	*8.59*	*Employee's Provident Fund Appellate Tribunal*

(c) According to the information and explanations given to us no amount required to be transferred to investor education and protection fund in accordance with the relevant provision of the Companies Act, 2013 and rule made there under has been transferred to such fund.

8. REPAYMENT OF DUES OF FINANCIAL INSTITUTIONS:

Based on our Audit procedures and the information and explanation given by the management, *we are of the opinion that the Company has defaulted in repayment of dues to Financial Institutions as on 31.03.2017, detailed as under:*

Default in Payment

PARTICULARS	*PERIOD OF DEFAULT*	*AMOUNT (₹ million)*
Dues to Banks		
Principal	*78 months*	*846.68*
Interest	*NA*	*Nil*
	Total	***846.68***

Note : Company has settled and paid all the dues of Bank of Baroda till May 30, 2018 as per OTS sanctioned by the bank.

9. END USE OF FUND :

Since the company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans this clause is not applicable.

10. FRAUD ON OR BY THE COMPANY:

As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during this period.

11. MANAGERIAL REMUNERATION:

No Managerial remuneration has been paid or provided, this clause is not applicable

12. NIDHI COMPANY :

The company is not a Nidhi Company hence this clause is not applicable

13. RELATED PARTIES TRANSACTION:

Based upon the audit procedures performed and according to the information and explanations given to us, All transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.

14. PREFERNTIAL ALLOTMENT:

During the year company has converted outstanding warrant issued on preferential basis in 2016-17 in to Equity Share and the requirement of Section 42 of Companies Act, 2013 have been complied with and the amount raised has been used for the purpose for which the funds were raised.

15. NON CASH TRANSACTION

The company has not entered into any non-cash transactions with directors or persons connected with him.

16 REGISTRATION UNDER RBI ACT

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **KARTIK JOSHI & ASSOCIATES**
FRN No.132326W

(KARTIK JOSHI)
Partner
Chartered Accountants
Membership No.138152

Place:- Vapi
Date:- May 30, 2018

Balance Sheet as on March 31, 2018

(₹ million)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	290.87	299.21	310.19
(b) Capital work-in-progress	5	0.48	-	1.74
(c) Intangible assets	6	1.00	1.15	1.05
(d) Financial Assets				
(i) Others	7	7.66	7.56	6.35
(g) Other non-current assets	8	7.47	20.66	20.59
Total Non - Current Assets		307.48	328.58	339.92
Current assets				
(a) Inventories	9	708.18	284.66	189.38
(b) Financial Assets				
(i) Trade receivables	10	812.18	320.75	282.14
(ii) Cash and cash equivalent	11	56.92	113.82	45.67
(iiii) Bank balances other than (iii) above	11	1.23	28.28	26.40
(iv) Other financial assets	7	6.01	6.55	6.49
(c) Current Tax Assets (Net)	12	-	0.08	-
(d) Other current assets	8	173.14	135.05	109.59
Total Current Assets		1,757.66	889.19	659.67
Total Assets		2,065.14	1,217.77	999.59
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	13	863.42	663.42	663.42
(b) Other Equity	14	(1,715.36)	(1,768.81)	(1,786.28)
Total equity		(851.94)	(1,105.39)	(1,122.86)
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Other financial liabilities	15	377.00	30.00	-
(b) Provisions	16	10.35	8.50	8.14
(c) Other non-current liabilities	17	0.30	0.30	0.23
Total Non - Current Liabilities		387.65	38.80	8.37
Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	18	1,289.40	410.84	376.37
(ii) Other financial liabilities	15	1,149.21	1,676.95	1,639.34
(b) Other current liabilities	17	86.85	194.20	91.65
(c) Provisions	16	3.89	2.37	6.42
(d) Current Tax Liabilities (Net)	19	0.08	-	0.30
Total Current Liabilities		2,529.43	2,284.36	2,114.08
Total Equity and Liabilities		2,065.14	1,217.77	999.59

See accompanying notes to the financial statements

In terms of our report attached.

For KARTIK JOSHI & ASSOCIATES
Chartered Accountants
FRN No.132326W

(KARTIK JOSHI)
Partner
Membership No.138152

Place : Vapi
Date : May 30, 2018

For and on behalf of the Board of Directors

Chairman *Managing Director & CEO*

Chief Financial Officer *Company Secretary*

Statement of Profit and Loss for the year ended March 31, 2018

(₹ million)

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Continuing Operations			
I Revenue from operations	20	2,177.59	1,374.29
II Other Income	21	2.15	5.23
III Total Revenue (I + II)		**2,179.74**	**1,379.52**
IV EXPENSES			
(a) Cost of materials consumed	22	123.69	104.19
(b) Excise duty expenses		4.34	14.97
(c) Purchases of Stock-in-trade	23	1,643.35	750.82
(d) Changes in stock of finished goods, work-in-progress and stock-in-trade	24	(429.24)	(93.18)
(e) Employee benefit expense	25	34.97	30.24
(f) Finance costs		-	-
(g) Depreciation and amortisation expense	26	13.90	15.44
(h) Other expenses	27	685.68	590.92
Total Expenses (IV)		**2,076.69**	**1,413.40**
V Profit/(loss) before exceptional items and tax (III - IV)		**103.05**	**(33.88)**
VI Exceptional items		-	-
VII Profit/(loss) before tax (V - VI)		**103.05**	**(33.88)**
VIII Tax Expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
Total tax expense (VIII)		-	-
IX Profit/(loss) after tax from continuing operations (VII -VIII)		**103.05**	**(33.88)**
X Profit/(loss) from discontinued operations		-	-
XI Tax Expense of discontinued operations		-	-
XII Profit/(loss) from discontinued operations (after tax) (X-XI)		**-**	**-**
XIII Profit/(loss) for the period (IX+XII)		**103.05**	**(33.88)**
XIV Other comprehensive income		**0.40**	**1.35**
A (i) Items that will not be recycled to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		0.40	1.35
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XV Total comprehensive income for the period (XIII+XIV) (Comprising Profit (loss) and other comprehensive income for the period)		**103.45**	**(32.53)**
XVI Earnings per equity share (for continuing operation):			
(1) Basic	28 a	1.48	(0.51)
(2) Diluted	28 b	1.48	(0.51)

See accompanying notes to the financial statements

In terms of our report attached.

For KARTIK JOSHI & ASSOCIATES
Chartered Accountants
FRN No.132326W

(KARTIK JOSHI)
Partner
Membership No.138152

Place : Vapi
Date : May 30, 2018

For and on behalf of the Board of Directors

Chairman *Managing Director & CEO*

Chief Financial Officer *Company Secretary*

Cash Flow Statement as on March 31, 2018

(₹ million)

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows from operating activities			
Profit after tax		103.05	(33.88)
Adjustments for:			
Investment income recognised in profit or loss		(0.84)	(3.27)
Depreciation and amortisation of non-current assets		13.90	15.44
Net foreign exchange (gain)/loss		1.62	(1.04)
Operating profit before working capital changes		**117.73**	**(22.75)**
Movements in working capital:			
Increase in trade receivables		(491.41)	(38.44)
(Increase)/decrease in inventories		(423.52)	(95.28)
(Increase)/decrease other financial assets		27.49	(3.15)
(Increase)/decrease Other Current and non-current assets		(24.90)	(25.53)
Increase/(decrease) in trade payable		876.93	35.30
(Increase)/decrease other financial liabilities		105.39	78.31
Increase/(decrease) in provisions		3.77	(2.34)
(Decrease)/increase in other liabilities		(107.36)	102.66
Cash generated from operations		**84.12**	**28.78**
Income taxes paid		0.16	(0.38)
Net cash generated by operating activities	A	**84.28**	**28.40**
Cash flows from investing activities			
Interest received		0.84	3.27
Purchase of property, plant and equipment (including CWIP)		(5.89)	(2.60)
Purchase of intangible assets (including CWIP)		-	(0.22)
Net cash (used in)/generated by investing activities	B	**(5.05)**	**0.45**
Cash flows from financing activities			
Repayment of borrowings-Recalled from Bank / AARC		(286.13)	(10.70)
Proceeds From Issue of Share/ Warrant (Including Application Money)		150.00	50.00
Net cash used in financing activities	C	**(136.13)**	**39.30**
Net increase in cash and cash equivalents	A+B+C	**(56.90)**	**68.15**
Cash and cash equivalents at the beginning of the year		113.82	45.67
Cash and cash equivalents at the end of the year		**56.92**	**113.82**

See accompanying notes to the financial statements

In terms of our report attached.

For KARTIK JOSHI & ASSOCIATES
Chartered Accountants
FRN No.132326W

(KARTIK JOSHI)
Partner
Membership No.138152

Place : Vapi
Date : May 30, 2018

For and on behalf of the Board of Directors

Chairman *Managing Director & CEO*

Chief Financial Officer *Company Secretary*

Statement of Changes in Equity for the year ended March 31, 2018

A. EQUITY SHARE CAPITAL

(₹ million)

Particulars	No. of shares	Amount
Balance at April 1, 2016		
Equity shares of ₹ 10/- each	6,63,42,275	663.42
Change During the year	-	-
Balance at March 31, 2017	**6,63,42,275**	**663.42**
Change During the year	2,00,00,000	200.00
Balance at March 31, 2018	**8,63,42,275**	**863.42**

B. STATEMENT OF CHANGE IN EQUITY

(₹ million)

Particulars	Reserves and Surplus				Total
	Capital reserve	Securities premium reserve	Share Warrants Money	Retained earnings	
Balance at April 1, 2016	31.19	1,072.63	-	(2,890.10)	(1,786.28)
Profit for the year				(33.88)	(33.88)
Other comprehensive income for the year, net of income tax				1.35	1.35
Total comprehensive income for the year				**32.53**	**32.53**
Arising on Warrant Application Money			50.00		50.00
Balance at March 31, 2017	**31.19**	**1,072.63**	**50.00**	**(2,922.63)**	**(1,768.81)**
Profit for the year				103.05	103.05
Other comprehensive income for the year, net of income tax				0.40	0.40
Total comprehensive income for the year				**103.45**	**103.45**
Issue of shares agianst Warrant Application Money			(50.00)		(50.00)
Balance at March 31, 2018	**31.19**	**1,072.63**	**-**	**(2,819.18)**	**(1,715.36)**

Notes to the Financial Statements for the year ended March 31, 2018

1 CORPORATE INFORMATION

Radha Madhav Corporation Limited (RMCL) has began trading and distribution of various products in various category like Clothing, Fashion products, Wellness, Cosmetics, Electronics etc. through portal (www.rmcluniverse.com)or otherwise.

The company is also engaged in manufacture of variants of multilayered and functional films, which find major application in primary as well secondary packaging solutions in food, dairy and pharmaceutical segments. The company is capable of producing multilayer cast and blown barrier films of internationally accepted standards.

At present, RMCL has 5 independent production units, 4 of them are located in the union territory of Daman and the fifth one of them is in Rudrapur, Uttaranchal. The basic infrastructure of the company is accredited with international quality.

2 STATEMENT OF COMPLIANCE

The standalone financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 3.18 for the details of first-time adoption exemptions availed by the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of financial statements:

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

3.2 Revenue recognition

Revenue is measured at fair value of consideration received or receivable. Company recognises its revenue on sales of products, net of discount, rebate, grant, returns and duties.

3.4.1 Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the Financial Statements for the year ended March 31, 2018

3.4.2 Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.3 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As a Lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.4 Foreign currencies

The functional currency of the company is determined on the basis of the primary economic environment in which it operates. The functional currency of the company is indian national rupee (INR).

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.5 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

3.6 Employee benefits

Defined contribution plan

Payments to defined contribution plans i.e., Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

Defined benefit and other long term benefit plans

Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity are determined using the Projected Unit Credit Method. The liability is determined as a differential amount on the basis of actuarial valuation being carried out at each balance sheet date using Projected Unit Credit Method and fund balance. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognised as an expense on a straight line basis over the average period until the benefits become vested. To the extent the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, past service cost is recognised immediately.

Notes to the Financial Statements for the year ended March 31, 2018

Short-term employee benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include performance incentives.

Employee benefits have been disclosed net of recoveries, if any.

3.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.7.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The compnay's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.8 Property, plant and equipment (Including Capital Work in-Progress)

Property, plant and equipment are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses. Costs of acquisition comprise all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use.

Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets	Estimated Useful life (years)
Building	9-60 years
Plant and Machinery	9-30 years
Furniture, Fixtures and Equipments	5-17 years
Computers	3-5 years
Vehicles	8-10 years

Notes to the Financial Statements for the year ended March 31, 2018

Depreciation on assets acquired /purchased during the year is provided on pro-rata basis from the date of each addition.

No deprecition is provided for leasehold land since as per the lease agreement, the lease are renewable at the option of the compnay for the further period at the end of the lease period, without/ with marginal payment of further premium.

Intangible assets are amortised so as to reflect the pattern in which the asset's economic benefits are consumed over a period not exceeding Ten years. The estimated period of benefit is determined based on a technical evaluation thereof by the management.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.9 Other intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Assets	Estimated Useful life (years)
Software	upto 5 Years
Intellectual property	upto 10 Years

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.10 Cash and cash equivalents

For the Purpose of presentation in the statement of cash flow, cash and cash equivalents included cash in hand, deposit held at call with financial institution, other short term highly liquid investment with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to insignificant risk of change in value, and bank overdraft.

3.11 Trade Receivable

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

3.12 Impairment of tangible and intangible assets other than goodwill

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred. An impairment loss is charged to Statement of Profit and Loss in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

3.13 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Stores & spares has been charged to statement of Profit & Loss in the year of purchase. The cost of inventories is generally arrived at on the following basis:

Raw Material - valued at First in First out method

Work in Process - Materials at weighted average cost and an appropriate absorption of factory overheads

Finished Product - Materials at weighted average cost and an appropriate absorption of factory overheads and excise duty wherever applicable.

Trading goods - Weighted average cost/ FIFO

Packing materials - valued at First in First out method

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

3.14 Provisions and contingencies

Provision is recognized in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.14.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.14.2 Contingent Liabilities

Contingent liabilities, if any, are disclosed in the notes to the financial statements.

3.15 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, which includes foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss depends on the nature of the hedging relationship and the nature of hedged item.

Notes to the Financial Statements for the year ended March 31, 2018

3.16 Financial Assets

All recognised financial assets are measured in their entirety at either amortised cost or fair value.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for Fair value through other comprehensive income (FVTOCI) debt instrument.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at Fair value through profit or loss (FVTPL), unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading

Financial assets at Fair value through profit or loss (FVTPL) are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at Fair value through other comprehensive income(FVTOCI) except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.17 Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at Fair value through profit or loss (FVTPL) are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Notes to the Financial Statements for the year ended March 31, 2018

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.18 First-time adoption – mandatory exceptions and optional exemptions

3.18.1 Overall principle

The Company has prepared the opening Standalone balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

3.18.2 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

3.18.3 Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.18.4 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

3.19 Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

3.19.1 Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

3.19.2 Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.19.3 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

3.19.4 Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

3.19.5 Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Notes to the Financial Statements for the year ended March 31, 2018

NOTE 4 : TANGIBLE ASSETS

(₹ million)

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Electrical Installation	Computer	Vehicle	Office Equipment	Furniture and Fixtures	Total
I. Gross Block										
Balance as at April 1, 2017	57.30	6.89	90.65	152.66	2.87	0.97	2.27	0.40	0.51	314.52
Additions during the year	-	-	-	4.50	-	0.29	-	0.32	0.32	5.43
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	57.30	6.89	90.65	157.16	2.87	1.26	2.27	0.72	0.83	319.95
II. Accumulated depreciation and impairment for the year 2016-2017										
Balance as at April 1, 2017	-	-	7.38	6.95	-	0.43	0.50	0.06	-	15.32
Depreciation / amortisation expense for the year	-	-	6.20	7.11	-	0.16	0.17	0.08	0.03	13.75
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	-	-	13.58	14.06	-	0.59	0.67	0.14	0.03	29.07
Net block (I-II)										
Balance as on March 31, 2018	**57.30**	**6.89**	**77.07**	**143.10**	**2.87**	**0.67**	**1.60**	**0.58**	**0.80**	**290.87**
Balance as on March 31, 2017	**57.30**	**6.89**	**83.27**	**145.71**	**2.87**	**0.54**	**1.77**	**0.34**	**0.51**	**299.19**

(₹ million)

Description of Assets	Land - Freehold	Land - Leasehold	Buildings	Plant and Equipment	Electrical Installation	Computer	Vehicle	Office Equipment	Furniture and Fixtures	Total
I. Gross Block										
Balance as at April 1, 2016	57.30	6.89	90.65	148.69	2.87	0.70	2.27	0.31	0.51	310.19
Additions during the year	-	-	-	3.98	-	0.27	-	0.09		4.34
Disposals										-
Balance as at March 31, 2017	57.30	6.89	90.65	152.67	2.87	0.97	2.27	0.40	0.51	314.53
II. Accumulated depreciation and impairment for the year 2016-2017										
Balance as at April 1, 2016	-	-	-	-	-	-	-	-	-	-
Depreciation / amortisation expense for the year	-	-	7.38	6.95	-	0.43	0.50	0.06	-	15.32
Eliminated on disposal of assets										-
Balance as at March 31, 2017	-	-	7.38	6.95	-	0.43	0.50	0.06	-	15.32
Net block (I-II)										
Balance as on March 31, 2017	**57.30**	**6.89**	**83.27**	**145.72**	**2.87**	**0.54**	**1.77**	**0.34**	**0.51**	**299.21**
Balance as on April 1, 2016	**57.30**	**6.89**	**90.65**	**148.69**	**2.87**	**0.70**	**2.27**	**0.31**	**0.51**	**310.19**

Notes to the Financial Statements for the year ended March 31, 2018

NOTE 5 : CAPITAL WORK-IN-PROGRESS

(₹ million)

Particulars	For the year ended March 31, 2017
Balance as at April 1, 2016	**1.74**
Additions	
Disposals/Utilised/Converted	(1.74)
Balance as at March 31, 2017	**-**
Additions	0.48
Disposals/Utilised/Converted	
Balance as at March 31, 2018	**0.48**

NOTE 6 : INTANGIBLE ASSETS

(₹ million)

Description of Assets	Trademarks	Software	Total
I. **Intangible Assets**			
Cost			
Balance as at April 1, 2017	1.05	0.21	1.26
Balance as at March 31, 2018	1.05	0.21	1.26
II. **Accumulated depreciation and impairment for the year 2017-2018**			
Balance as at April 1, 2017	0.11	0.01	0.12
Amortisation expense for the year	0.11	0.04	0.15
Balance as at March 31, 2018	0.22	0.05	0.27
Net block (I-II)			
Balance as on March 31, 2018	**0.84**	**0.16**	**1.00**
Balance as on March 31, 2017	**0.84**	**0.16**	**1.00**

(₹ million)

Description of Assets	Trademarks	Software	Total
I. **Intangible Assets**			
Cost			
Balance as at April 1, 2016	1.05	-	1.05
Additions through business combination		0.21	0.21
Balance as at March 31, 2017	1.05	0.21	1.26
II. **Accumulated depreciation and impairment for the year 2016-2017**			
Balance as at April 1, 2016	-	-	-
Amortisation expense for the year	0.11	0.01	0.12
Balance as at March 31, 2017	0.11	0.01	0.12
Net block (I-II)			
Balance as on March 31, 2017	**0.95**	**0.20**	**1.15**
Balance as on April 1, 2016	**1.05**	**-**	**1.05**

Notes to the Financial Statements for the year ended March 31, 2018

NOTE 7 : OTHER FINANCIAL ASSETS

(₹ million)

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
Others									
- Security Deposits	5.63	5.39	11.02	5.63	5.39	11.02	5.63	5.39	11.02
- Interest receivables	0.11	0.27	0.38	0.87	0.14	1.01	0.81	0.08	0.89
- Rent Receivables	0.27	-	0.27	0.05	-	0.05	0.05	-	0.05
- Long term Bank deposits (Pledged with Bank as margin money)	-	2.00	2.00	-	2.03	2.03	-	0.88	0.88
	6.01	7.66	13.67	6.55	7.56	14.11	6.49	6.35	12.84

NOTE 8 : OTHER ASSETS

(₹ million)

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
(a) Capital advances	-	7.47	7.47	-	20.66	20.66	-	20.59	20.59
(b) Advances to suppliers	159.03	-	159.03	100.61	-	100.61	61.32		61.32
(c) Balances with government authorities									
- Duties And taxes Receivable-Excise/Sales Tax/VAT etc	8.56	-	-	28.86	-	-	23.54	-	-
(d) Prepaid Expenses	0.02		0.02	0.03		0.03	0.14		0.14
(e) Others assets									
- Loans to staff and workers	1.10	-	-	1.12	-	-	1.18	-	1.18
- Others	4.43	-	-	4.43	-	-	23.41	-	-
	173.14	**7.47**	**166.52**	**135.05**	**20.66**	**121.30**	**109.59**	**20.59**	**83.23**

NOTE 9 : INVENTORIES

(₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw materials	3.31	8.35	6.45
Packing materials	0.34	0.49	0.44
Work-in-progress	23.24	22.21	21.78
Finished goods	4.26	5.03	3.67
Stock-in-trade	677.03	248.58	157.04
Total Inventories at the lower of cost and net realisable value	**708.18**	**284.66**	**189.38**

Included above, goods-in-transit: Nil

Notes to the Financial Statements for the year ended March 31, 2018

NOTE 10 : TRADE RECEIVABLES

(₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Secured, considered good			
(b) Unsecured, considered good	812.18	320.75	282.14
(c) Unsecured, Doubtful	384.41	381.86	381.86
Less: Allowance for doubtful debts (expected credit loss allowance)	(384.41)	(381.86)	(381.86)
TOTAL	812.18	320.75	282.14

NOTE 10.1 : MOVEMENT IN ALLOWANCE FOR DOUBTFUL DEBTS IS AS FOLLOWS

(₹ million)

Particulars	As at March 31, 2018	As at April 01, 2016
Balance at the beginning	381.86	381.86
Additions (Net)	2.55	-
Balance at the end	384.41	381.86

NOTE 11 : CASH AND BANK BALANCES

(₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Cash and bank balances			
(i) Cash and cash equivalents			
Cash on hand	19.8	15.86	36.15
Balances in scheduled banks in current account	36.75	92.7	4.56
Term deposits (original maturity < 3 months)	0.37	5.26	4.96
(Pledged with Bank as margin money)			
	56.92	113.82	45.67
(ii) Other bank balances			
Other Short term bank Deposit	1.23	28.28	26.40
(Pledged with Bank as margin money)			
	1.23	28.28	26.40
Total Cash and bank balances	58.15	142.10	72.07

NOTE 12 : CURRENT TAX ASSETS (NET)

(₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Tax Assets (Net of provisions)	-	0.08	-
	-	0.08	-

Notes to the Financial Statements for the year ended March 31, 2018

NOTE 13 : EQUITY SHARE CAPITAL

(₹ million)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised:						
Equity shares of ₹ 10/- each	8,90,00,000	890.00	8,90,00,000	890.00	6,90,00,000	690.00
Issued:						
Equity shares of ₹ 10/- each	6,63,42,275	663.42	6,63,42,275	663.42	6,63,42,275	663.42
Issued, Subscribed and Fully Paid:						
Equity shares of ₹ 10/- each	8,63,42,275	863.42	6,63,42,275	663.42	6,63,42,275	663.42
Total	8,63,42,275	863.42	6,63,42,275	663.42	6,63,42,275	663.42

(i) **Rights, preferences and restrictions attached to equity shares**

The Company has one class of equity share having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) **Reconciliation of the number of shares outstanding at the beginning and at the end of the period.**

(₹ million)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Opening	6,63,42,275	66,34,22,750	6,63,42,275	66,34,22,750	6,63,42,275	66,34,22,750
Add : Issued during the year	2,00,00,000	20,00,00,000				
Less : Extinguished on buyback during the period	-	-			-	-
Closing	8,63,42,275	86,34,22,750	6,63,42,275	66,34,22,750	6,63,42,275	66,34,22,750

(iii) **Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:**

(₹ million)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
SAVITA KHAITAN	-	0.00%	46,69,902	7.04%	80,24,360	12.10%
ANIL J AGARWAL	1,31,07,471	15.18%	56,07,471	8.45%	56,07,471	8.45%
KHAZANA TRADECOM PRIVATE LIMITED	1,25,00,000	-	-	-	-	-

There are no shareholders holding more than 5% of the aggregate equity shares of the Company except those mentioned above.

(iv) **No shares are issued other than for cash during last five years.**

(v) **No shares are reserved for issue under options**

Notes to the Financial Statements for the year ended March 31, 2018

NOTE NO 14 : OTHER EQUITY

(₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital reserve	31.19	31.19	31.19
Securities premium reserve	1,072.63	1,072.63	1,072.63
Share Warrant Application Money	-	50.00	-
Retained earnings	(2,819.18)	(2,922.63)	(2,890.10)
Total	**(1,715.36)**	**(1,768.81)**	**(1,786.28)**

(i) Movement in other equity:

(₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(I) Capital Reserve:		
Opening balance	31.19	31.19
Movement	-	-
Closing balance	**31.19**	**31.19**
(II) Securities premium account :		
Opening balance	1,072.63	1,072.63
Buyback of equity shares	-	-
Closing balance	**1,072.63**	**1,072.63**
(III) Share Warrant Money		
Opening balance	50.00	-
Arising/ (Issue of shares against) on Warrant Application Money	(50.00)	50.00
Closing balance	**-**	**50.00**
(IV) Retained earnings		
Opening balance	(2,922.63)	(2,890.10)
Profit	103.05	(33.88)
Other Comprehensive Income	-	-
Remeasurement of defined benefit obligation (net of taxes)	0.40	1.35
Closing balance	**(2,819.18)**	**(2,922.63)**

(ii) Nature and purpose of each reserve within Other equity

Capital Reserve

Represented forfeited warrant application money being non subscribing/conversion of warrant in to equity share with in terms of allotment.

Securities premium account

Where company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium account" as per the provisions of applicable Companies Act.

Retained earning and dividend on equity shares:

This represent the surplus/ (deficit) of the profit or loss. The amount that can be distributed by the Company to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amount reported above are not distributable in entirety.

Notes to the Financial Statements for the year ended March 31, 2018

NOTE 15 : OTHER FINANCIAL LIABILITIES

(₹ million)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Financial liabilities at amortised cost:						
Assets Reconstruction Company - secured	-	377.00	-	-	-	-
Recalled/ Current maturities of long-term debt- Secured	816.27	-	1,102.4	-	1,113.1	-
Recalled Short Term borrowing from bank- Secured	79.56	-	456.56	-	456.56	-
Deposit Received from Agent	120.15	-	99.31	-	16.63	-
Employee benefits payable	4.03	-	5.53	-	39.86	-
Sundry Creditors for Capital Goods	13.2	-	13.15	-	13.19	-
Share/warrant Application Money	-	-	-	30.00	-	-
Inter corporate Deposits	116	-	-	-	-	-
Total	**1,149.21**	**377.00**	**1,676.95**	**30.00**	**1,639.34**	**-**

NOTE 16 : PROVISIONS

(₹ million)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
(a) Provision for employee benefits						
(1) Compensated absences	1.14	-	0.91	-	0.66	-
(2) Group Gratuity Scheme	0.42	10.35	0.35	8.5	-	8.14
(3) Provision for Bonus	2.33	-	1.11	-	5.76	-
Total Provisions	**3.89**	**10.35**	**2.37**	**8.50**	**6.42**	**8.14**

(i) The provision for employee benefits includes annual leave and vested long service leave entitlements accrued, gratuity and ex-gratia. The decrease in the carrying amount of the provision for the current year results from benefits being paid/ adjusted in the current year.

NOTE 17 : OTHER LIABILITIES

(₹ million)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Advances received from customers	86.53	-	180.23	-	86.92	-
Statutory Dues/remittances	0.32	-	13.97	-	4.73	-
Other liabilities	-	0.30	-	0.30	-	0.23
Security Deposits - From Tenant	-	-	-	-	-	-
Total	**86.85**	**0.30**	**194.20**	**0.30**	**91.65**	**0.23**

NOTE 18 : TRADE PAYABLES

(₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade payable for goods & services	1,289.4	410.84	376.37
Total	**1,289.40**	**410.84**	**376.37**

The Company has not received any intimation from "suppliers" regarding their status under Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure requirements in this regard could not be provided.

Notes to the Financial Statements for the year ended March 31, 2018

NOTE 19 : CURRENT TAX LIABILITIES (NET)

(₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Tax Liabilities (Net of Advance tax)	0.08	-	0.30
	0.08	**-**	**0.30**

The Company has not received any intimation from "suppliers" regarding their status under Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure requirements in this regard could not be provided.

NOTE 20 : REVENUE FROM OPERATIONS

(₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of goods (including excise duty of ₹ 4.34 millions (previous year ₹ 14.97 millions)	2,176.07	1,373.12
Other operating revenues	1.52	1.17
Total	**2,178**	**1,374.29**

NOTE 21 : OTHER INCOME

(₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on financial assets at amortised cost		
Interest income on fixed deposits	0.84	3.27
Rent received	1.31	0.90
Other gains and losses		
Net foreign exchange gains/(loss)	-	1.03
Miscellaneous income	-	0.03
Total	**2.15**	**5.23**

NOTE 22 : COST OF MATERIAL CONSUMED

(₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Plastic Products	119.05	102.95
Paper Products	1.14	0.80
Other Raw Materials	3.50	0.44
Total	**123.69**	**104.19**

NOTE 23 : PURCHASES OF STOCK-IN-TRADE

(₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchases of Goods Traded in (FMCG, Cloths, Fashion & Consumer products)	1,643.35	750.82
Total	**1,643.35**	**750.82**

Notes to the Financial Statements for the year ended March 31, 2018

NOTE 24 : CHANGES IN STOCK OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Inventories - Opening		
Finished goods Net of Excise duty	4.50	3.29
Work-in-Progress	22.21	21.78
Stock in Trade	248.58	157.04
Total (A)	**275.29**	**182.11**
B. Inventories - Closing		
Finished goods Net of Excise duty	4.26	4.50
Work-in-Progress	23.24	22.21
Stock in Trade	677.03	248.58
Total (B)	**704.53**	**275.29**
Total (A-B)	**(429.24)**	**(93.18)**

NOTE 25 : EMPLOYEE BENEFITS EXPENSE

(₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	31.17	27.69
Contribution to provident and other funds	0.40	-
Provision for Gratuity	2.31	2.06
Staff welfare expenses	1.09	0.49
Total	**34.97**	**30.24**

NOTE 26 : DEPRECIATION AND AMORTISATION EXPENSES

(₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment pertaining to continuing operations	13.75	15.32
Amortisation of intangible assets	0.15	0.12
Total depreciation and amortisation expense	**13.90**	**15.44**

NOTE 27 : OTHER EXPENSES

(₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Stores and spares consumed	1.02	1.65
Packing Material Consumed	16.16	22.59
Repairs and maintenance:		
Plant & machinery	4.69	6.53
Buildings	0.85	1.16
Others	0.54	0.38
Power & Fuel oil consumed	9.43	19.37
Labour Job work Charges	-	0.04
Other Manufacturing Expenses	17.24	19.86
Carriage Outward	41.98	47.26

NOTE 27 : OTHER EXPENSES

(₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Selling & Distribution Expenses	12.72	8.05
Postage, Telephone & Mobile Expenses	1.06	1.80
Rent, Rate & Taxes	4.25	5.27
Duty & Taxes Expenses Account	0.67	2.42
Insurance charges	0.06	0.17
Commission Incentive and Scheme Expenses	549.84	429.43
Net foreign exchange loss	1.62	-
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	0.31	0.45
(ii) For Other services	-	-
(iii) Auditors out-of-pocket expenses	-	-
Legal and other professional costs	5.00	7.06
Penal charges paid for late payments of Duties & Taxes	1.01	0.23
Provision for doubtful debt	2.55	-
Other General Expenses	14.68	17.20
	685.68	**590.92**

28 A. BASIC EARNINGS PER SHARE

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

(₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the period attributable to owners of the Company (A)	103.05	(33.88)
Weighted average number of equity shares for the purposes of basic earnings per share (Quantity in No.) (B)	6,95,75,152	6,63,42,275
Basic Earnings per share (A/B)	**1.48**	**(0.51)**

28 B. DILUTED EARNINGS PER SHARE

The earnings used in the calculation of diluted earnings per share are as follows.

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

(₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Earnings used in the calculation of basic earnings per share	103.05	(33.88)
Adjustments	-	-
Earnings used in the calculation of diluted earnings per share (A)	103.05	(33.88)
Weighted average number of equity shares used in the calculation of basic earnings per share (Quantity in '000)	6,95,75,152	6,63,42,275
*Optionally convertible share warrant	-	-
Weighted average number of equity shares used in the calculation of diluted earnings per share (Quantity in '000) (B)	6,95,75,152	6,63,42,275
Diluted earnings per share (A/B)	**1.48**	**(0.51)**

*impact of 2,00,00,000 Optionally convertible share warrant is anti-dilutive and hence same have been excluded

Notes to the Financial Statements for the year ended March 31, 2018

NOTE 29 : FIRST-TIME ADOPTION OF IND-AS

These financial statements for the year ended March 31, 2018 are the first financial statements prepared by the Company in accordance with Ind AS. The Company prepared its financial statements for periods up to and including the year ended March 31, 2016, in accordance with statutory reporting requirement in India immediately before adopting Ind AS ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending as on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Ind AS financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

a) Reconciliation of total equity as at March 31, 2017 and April 01, 2016

(₹ million)

Particulars	Notes	As at March 31, 2017	As at April 01, 2016
Total equity (shareholder's funds) under previous GAAP		**(1,105.91)**	**(1,123.30)**
Ind AS: Adjustments increase (decrease):			
Effect of recognition of property, plant and equipment	a & b	0.52	0.44
Total adjustment to equity		0.52	0.44
Total equity under Ind AS		**(1,105.39)**	**(1,122.86)**

(₹ million)

Particulars	Notes	For the year ended March 31, 2017
Profit as per previous GAAP		(32.61)
Adjustments :		
Effect of recognition of property, plant and equipment	a & b	0.08
Remeasurement of defined benefit obligation recognised in other comprehensive income under Ind AS, net of taxes	c	(1.35)
Total adjustment to profit or loss		**(1.27)**
Profit or loss under Ind AS		(33.88)
Other comprehensive income under Ind AS, net of tax		1.35
Total comprehensive income under Ind ASs		**(32.53)**

Note: Total comprehensive income was not reported under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.

a & b Leasehold land in considered as property, plant and equipments and the present value of the lease payment is considered as the cost of the asset and no depreciation has not been provided for in Profit and loss account for the period.

c. The Actuarial gain/(loss) has been reclassified under other comprehensive income under Ind AS.

Notes to the Financial Statements for the year ended March 31, 2018

NOTE 30 : FINANCIAL INSTRUMENTS

NOTE 30.1 : CATEGORIES OF FINANCIAL INSTRUMENTS

(₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial assets			
Measured at amortised cost			
(a) Cash and bank balances	58.15	142.10	72.07
(b) Other financial assets at amortised cost (including trade receivables)	825.85	334.86	294.98
Financial liabilities			
Measured at amortised cost (including trade payables balance)	2,815.61	2,117.79	2,015.71

30.2 FINANCIAL RISK MANAGEMENT

The company's principal financial liabilities comprises borrowings, trade and other payable. The main purpose of these financial liabilities is to finance the company's operation. The company's principal assets include loan, trade and other receivable and cash and cash equivalents that are derived directly from its operation

The company is exposed to credit risk and liquidity risk. The company's senior management oversees the management of these riks:

A. Credit risk management

The company is exposed to credit risk from its operating activities (Primarily for trade receivable). To manage credit risk the company follow a policy of providing 0-90 days credit on the basis of nature of customers. The credit limit policy is established considering the current economic trends of the industry and geographies in which company is operating

However, the trade receivable are monitored on periodic basis for assessing any significant risk of non-recoverebility of dues and provision is created accordingly.

NOTE 30 : LIQUIDITY RISK MANAGEMENT

Liquidity risks is the risk that the company will not be able to settle or meet the obligation on time or at a reasonable price. This risk arises from obligation on account of the company's financial liabilities such as borrowings, trade payable etc.

The company's corporate finance department is responsible for liquidity and funding management and settlement. In addition process and policies related to such risk are overseen by senior management. Management monitor the company's net liquidity position through rolling forecast on the basis of expected cashflows.

The table below summarise the maturity profile of the company's financial liabilities based on contractual undiscounted payment at each reporting date:

A. Maturties of financial liabilities

(₹ million)

As at March 31, 2018	Within 1 year	Between 1 and 2 Year	Beyond 2 year	Total
Trade Payable	1,289.40	-	-	1,289.40
Other current financial liabilities	1,149.21	78.24	298.76	1,526.21
Total	**2,438.61**	**78.24**	**298.76**	**2,815.61**

Notes to the Financial Statements for the year ended March 31, 2018

NOTE 31 : LIQUIDITY RISK MANAGEMENT (contd.)

(₹ million)

As at March 31, 2017	Within 1 year	Between 1 and 2 Year	Beyond 2 year	Total
Non- Current borrowings (Including current maturities)	30.00	-	-	30.00
Trade Payable	410.84	-	-	410.84
Other current financial liabilities	1,676.95	-	-	1,676.95
Total	**2,117.79**	**-**	**-**	**2,117.79**

(₹ million)

As at April 1, 2016	Within 1 year	Between 1 and 2 Year	Beyond 2 year	Total
Trade Payable	376.37	-	-	376.37
Other current financial liabilities	1,639.34	-	-	1,639.34
Total	**2,015.71**	**-**	**-**	**2,015.71**

B. Loan Covenants

i) Repayment schedule of due of Assets Reconstruction Company

Particulars	(₹ in millions)
2019-20	78.24
2020-21	86.53
2021-22	127.75
2022-23	84.48

ii) All dues of Assets Reconstruction Company, Recalled/ Current maturities of long-term debt and Recalled Short Term borrowing from bank are secured against mortgage of entire Land & Building and Hypothecation of entire Plant & Machinery and other Fixed assets of the company and also Secured by Hypothecation of entire Inventories and Book Debts and other current assets of the company

This loan is also secured by personal guarantee of promoter directors

(Repayable with Interest: 16.50 % & 15.60 %)

iii) Defaulted in repayment of dues to Banks / ARC

(All alleged depts)

(₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Interest			
1. Period of default upto	-	67 Months	55 Months
2. Amount	-	3,519.70	2,630.98
Instalment			
1. Period of default upto	78 Months	66 Months	54 Months
2. Amount	846.68	2,562.45	2,562.45

Notes to the Financial Statements for the year ended March 31, 2018

NOTE : 32 CAPITAL MANAGEMENT

A. Risk Management

The company's objectives when managing capital are to

-Safeguard it's ability to continue as going concern, so that it can continue to provide return for shareholder and benefits for other shareholder and

-maintain an optimal capital structure to reduce the cost of capital.

The company monitors its capital by using gearing ratio, which is net debt dividend by total equity. Net debt include non-current and current borrowings net of cash and cash equivalents and total equity comprises of equity share capital, security premium, general reserve, other comprehensive income and retained earnings.

B. The Capital composition is as follows (₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Gross Debt	1,272.83	1,558.96	1,569.66
Less: Cash and bank balance	58.15	142.10	72.07
Net Debt (A)	**1,214.68**	**1,416.86**	**1,497.59**
Equity (B)	(851.94)	(1,105.39)	(1,122.86)
Gearing Ratio (A/B)%	(1.43)	(1.28)	(1.33)

NOTE 33 : COMMITMENTS FOR EXPENDITURE

(₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1.40	1.00	1.00
Total	1.40	1.00	1.00

NOTE 34 : CONTINGENT LIABILITIES

(₹ million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Suppliers claims against the Company not acknowledged as debt	25.55	23.59	21.63
(b) Guarantees given by banks	10.10	10.10	9.00
(c) Other money for which the company is contingently liable			
- Disputed Liability of Central Excise & Service Tax. Dispute pending with High Court, Customs Excise & Service Tax Appellate Tribunal and Commissions (Appeal)Central Excise & Customs.	30.04	30.04	30.04
- Disputed Liability of Sales Tax. Dispute is pending before Deputy Commission commercial Tax office.	19.09	19.09	14.94
- Disputed Liability of Provident Fund. Dispute is pending before Employee's Provident Fund Appellate Tribunal.	12.28	12.28	12.28

Notes to the Financial Statements for the year ended March 31, 2018

NOTE : 35 EMPLOYEE BENEFIT PLANS

The Company operates defined contribution Gratuity benefit plans for all qualifying employees of its Company. The assets of the plans are held separately from those of the Company in funds managed by insurance compnay. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

Gratuity Benefit is payable to employees as per the provisions of Payment of Gratuity Act, 1972 and its later amendments.

All employees are entitled to Gratuity Benefits on exit from service due to retirement, resignation or death. There is a vesting period of 5 years on exits due to retirement or resignation.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2018. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	As at March 31, 2018	As at March 31, 2017
Discount rate(s)	7.70%	7.40%
Expected rate(s) of salary increase	7.00%	7.00%
Retirement Age	58	58
Attrition Rate	5% to 1%	5% to 1%
Mortality rates*	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

(₹ million)

Particulars	Valuation as at	
	Year ended March 31, 2018	Year ended March 31, 2017
Present Value of Benefit Obligations- changes over the valuation period		
Present Value of Benefit Obligation on 1-4-2017	9.82	9.07
Current Service cost	1.60	1.47
Interest cost	0.78	0.67
Benefits paid	0.00	0.00
Actuarial losses (gains) arising from change in financial assumptions	(1.18)	0.40
Actuarial losses (gains) arising from change in demographic assumptions	0.00	0.00
Actuarial losses (gains) arising from experience adjustments	0.75	(1.79)
Present Value of Benefit Obligation on 31-03-2018	**11.77**	**9.82**
Bifurcation of Present Value of Benefit Obligation		
Current - Amount due within one year	0.42	0.35
Non-Current - Amount due after one year	11.36	9.47
Total	**11.77**	**9.82**
Expected Benefit Payments in Future Years		
Year 1	0.42	0.35
Year 2	0.49	0.37
Year 3	0.42	0.39
Year 4	0.40	0.32
Year 5	0.55	0.31
Year 6 to Year 10	2.86	1.60

Notes to the Financial Statements for the year ended March 31, 2018

NOTE : 35 EMPLOYEE BENEFIT PLANS (contd.)

(₹ million)

Particulars	Valuation as at	
	Year ended March 31, 2018	Year ended March 31, 2017
Sensitivity Analysis - Effects of Key Assumptions on Defined Benefit Obligations		
Discount Rate - 1 percent increase	10.32	8.56
Discount Rate - 1 percent decrease	13.54	11.35
Salary Escalation Rate - 1 percent increase	13.54	11.35
Salary Escalation Rate - 1 percent decrease	10.29	8.54
Withdrawal Rate - 1 percent increase	11.83	9.85
Withdrawal Rate - 1 percent decrease	11.72	9.79
Changes in Fair Value of Plan Assets		
Fair Value of Plan Assets on 1-4-2017	0.97	0.93
Expected Return on Plan Assets	0.07	0.07
Company Contributions	0.00	0.00
Benefits paid	0.00	0.00
Actuarial gains / (losses)	(0.04)	(0.03)
Fair Value of Plan Assets on 31-3-2018	1.00	0.97
Asset Category of Plan Assets		
Government of India Securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Funds managed by Insurance Company	100%	100%
Cash / Bank Balance	-	-
Balance Sheet - Amount to be recognised		
Present Value of Benefit Obligation on 31-3-2018	11.77	9.82
Fair Value of Plan Assets on 31-3-2018	1.00	0.97
Net Liability / (Asset) recognised in Balance Sheet	10.77	8.85
Profit and Loss statement		
Current Service cost	1.60	1.47
Net interest on net Defined Liability / (Asset)	0.71	0.60
Expenses recognised in Statement of Profit and Loss	2.31	2.07
Other Comprehensive Income		
Actuarial (Gains) / Losses on Liability	(0.43)	(1.39)
Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	0.04	0.03
Total	**(0.40)**	**(1.36)**

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to the Financial Statements for the year ended March 31, 2018

NOTE : 36 RELATED PARTY DISCLOSURES

As at March 31, 2018

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity
Associates - Direct	Abhishek Packaging Industries
	Maharastra Polycane Industries
	Radha Madhav Research and Trade Pvt. Ltd.
	Print Rite
	Abias Export Pvt. Ltd.
	Care Plus Industries
	Swati Packaging
	Radha Krishna Industries
	Radha Madhav Residency
	Radha Madhav Holdings Pvt. Ltd.
	Shree Dagruseth Infracon
Key Management Personnel ("KMP")	Mr. Mitesh Agrawal
	Mr. Abhishek Agrawal
	Mr. Mangesh Sethye
	Mr. Keyur Naik
Relatives of KMP	Mr. Anil Agrawal

As at March 31, 2017

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity
Associates - Direct	Abhishek Packaging Industries
	Maharastra Polycane Industries
	Radha Madhav Research and Trade Pvt. Ltd.
	Print Rite
	Abias Export Pvt. Ltd.
	Care Plus Industries
	Swati Packaging
	Radha Krishna Industries
	Radha Madhav Residency
	Radha Madhav Holdings Pvt. Ltd.
	Shree Dagruseth Infracon
Key Management Personnel ("KMP")	Mr. Mitesh Agrawal
	Mr. Abhishek Agrawal
	Mr. Mangesh Sethye
	Mr. Keyur Naik
Relatives of KMP	Mr. Anil Agrawal

NOTE : 36 RELATED PARTY DISCLOSURES (contd.)

As at April 1, 2016

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity
Associates - Direct	Abhishek Packaging Industries
	Maharastra Polycane Industries
	Radha Madhav Research and Trade Pvt. Ltd.
	Print Rite
	Abias Export Pvt. Ltd.
	Care Plus Industries
	Swati Packaging
	Radha Krishna Industries
	Radha Madhav Residency
	Radha Madhav Holdings Pvt. Ltd.
	Shree Dagruseth Infracon
Key Management Personnel ("KMP")	Mr. Mitesh Agrawal
	Mr. Abhishek Agrawal
	Mr. Mangesh Sethye
	Mr. Keyur Naik
Relatives of KMP	Mr. Anil Agrawal

Year ended March 31, 2018

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 above)

Particulars	Company's Name	Associates	Key Management personnel and relatives	Total
Balance				
Advances Recoverable - Short Term	Maharastra Polycane Industries	0.02	-	0.02
Deposits given	Abhishek Agarwal	-	4.00	4.00
Trade Payables	Radha Krishna Industries	0.36	-	0.36
	Swati Packaging	0.20	-	0.20
Trade Receivables	Maharastra Polycane Industries	0.20	-	0.20
Transactions				
Purchase of Goods	Maharastra Polycane Industries	0.21	-	0.21
Remuneration	Company Secretary	-	0.18	0.18
	CFO	-	0.18	0.18
Rent Expense	Swati Packaging	0.03	-	0.03
	Radha Krishna Industries	0.12	-	0.12

Notes to the Financial Statements for the year ended March 31, 2018

NOTE : 36 RELATED PARTY DISCLOSURES (contd.)

Year ended March 31, 2017

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 above)

Particulars	Company's Name	Associates	Key Management personnel and relatives	Total
Balance				
Advances Recoverable - Short Term	Maharastra Polycane Industries	0.02	-	0.02
	Radha Madhav Research and Trade Pvt Ltd.	6.97	-	6.97
Deposits Given	Abhishek Agarwal	-	4.00	4.00
Trade Payables	Radha Krishna Industries	0.24		0.24
	Swati Packaging	0.17	-	0.17
Trade Receivables	Maharastra Polycane Industries	0.20	-	0.20
Transactions				
Remuniration	Company Secretary	-	0.18	0.18
	CFO	-	0.18	0.18
Rent Expense	Swati Packaging	0.04	-	0.04
	Radha Krishna Industries	0.15	-	0.15

Opening as on 01 Apr, 2016

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 above)

Particulars	Company's Name	Associates	Key Management personnel and relatives	Total
Balance				
Advances Recoverable - Short Term	Maharastra Polycane Industries	0.02	-	0.02
	Radha Madhav Research and Trade Pvt Ltd.	0.10		0.10
Deposits Given	Abhishek Agarwal	-	4.00	4.00
Trade Payables	Radha Krishna Industries	0.09	-	0.09
	Swati Packaging	0.13	-	0.13
Trade Receivables	Maharastra Polycane Industries	0.37	-	0.37

Notes to the Financial Statements for the year ended March 31, 2018

NOTE : 37 - SEGMENT REPORTING

The Company has identified business segment as its primary segment and geographic segments as its secondary segment.

Company has identified two reportable segment viz sales of own manufactured products (sub-classified in to end user & through channel partners) and marketing & Trading. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.

Geographical revenues are allocated based on the location of the customer. Geographical segments of the company are India and Others.

Particulars	Sale of Manufactured Product				Trading Sales		Unallocable		Total	
	End User		Channel Partner							
	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2018	Year ended 31 March, 2017
Segment Revenue	113.40	105.52	20.64	8.67	2,043.55	1,245.13			2,177.59	1,359.32
Less:- Inter-Segment Revenue	-	-	-	-	-	-			-	-
Net Sales / Income From Operations	**113.40**	**105.52**	**20.64**	**8.67**	**2,043.55**	**1,245.13**			**2,177.59**	**1,359.32**
Segment Results	(13.53)	(17.43)	(37.17)	(34.71)	183.68	34.81			132.98	(17.33)
Unallocated corporate expenses/ Income (Net)							29.93	15.28	29.93	15.28
Operating profit									103.05	(32.61)
Finance costs									-	-
Exceptional Items -Expenses/(Income)									-	-
Profit Before tax									103.05	(32.61)
Tax									-	-
Net profit									**103.05**	**(32.61)**
Other Information										
Segment Assets	180.09	168.98	341.43	332.06	1,390.22	461.03	153.40	289.76	2,065.14	1,251.83
Segment Liabilities	98.04	73.09	154.64	134.80	1,119.73	392.08	1,544.67	1,757.77	2,917.08	2,357.74
Capital Expenditure	4.19	-	0.31	3.98	-	-	0.93	0.56	5.43	4.54
Depreciation	4.42	4.74	8.29	8.98	-	-	1.19	1.81	13.90	15.52
Non-cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-

Secondary Segment Information:

Geographical Segment	India		Other Countries		Total	
	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2018	Year ended 31 March, 2017
Segment Revenue	2,177.59	1,359.32	-	-	2,177.59	1,359.32
Carrying Amount of Segment Assets	2,059.43	1,246.14	5.71	5.69	2,065.14	1,251.83
Addition to Fixed Assets and Intangible Assets	5.43	4.54	-	-	5.43	4.54

Notes to the Financial Statements for the year ended March 31, 2018

NOTE : 38

A. Detail of Manufactured goods (₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Plastic Products		
Sales Values	128.03	113.02
Closing Inventory	3.85	4.56
Opening Inventory	4.56	2.82
Paper Products		
Sales Values	0.16	0.01
Closing Inventory	0.41	0.47
Opening Inventory	0.47	0.85
Total		
Sales Values	128.19	113.03
Closing Inventory	4.26	5.03
Opening Inventory	5.03	3.67

B. Detail of Traded goods (₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cloths & Fashion Products		
Sales Values	755.04	517.17
Closing Inventory	489.27	20.43
Opening Inventory	20.43	84.14
Others		
Sales Values	1,288.5	727.94
Closing Inventory	187.76	228.15
Opening Inventory	228.15	72.9
Total		
Sales Values	2,043.54	1,245.12
Closing Inventory	717.42	248.58
Opening Inventory	248.58	157.04

C. Detail of Work-in-Process (₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Plastic Products		
Opening Inventory	22.12	21.78
Closing Inventory	22.69	22.12
Paper Products		
Opening Inventory	0.09	-
Closing Inventory	0.55	0.09
Total		
Opening Inventory	22.21	21.78
Closing Inventory	23.24	22.21

Notes to the Financial Statements for the year ended March 31, 2018

NOTE : 39

C.I.F. Value of Imports (₹ million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Materials, Components & spare parts and Capital goods	-	-

Expenditure in Foreign Currency (₹ million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Professional and consultation fees	0.11	-

Earnings in Foreign Exchange (₹ million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
All Earnings in Foreign Exchange	-	-

NOTE: 40

Auditors' Remuneration (₹ million)

Particulars	As at March 31, 2018	As at April 01, 2016
i. As Auditors	0.25	0.25
ii. Tax Audit	0.06	0.20
iii. Taxes	0.05	0.07
Total	**0.36**	**0.52**

The Company has not paid any remuneration to any director during the year under consideration.

NOTE: 41

a. The company is in the process of obtaining confirmation from parties, and reconciliation differences, if any, in payable and receivables will be adjusted in the books. On ramping up of packaging business, company is hopeful of recovering the book debts.

b. Previous year figures have been regrouped & rearranged wherever necessary.

Notes to the Financial Statements for the year ended March 31, 2018

NOTE: 42 GOING CONCERN

The company's net worth has been fully eroded due to continuous losses. However, the accounts have been prepared on the basis that the company is a going concern Management is of the view that there is no uncertainty about continuous operation of the Company in foreseeable future. Following measures are taken by the company to ensure continuous operations:

1. Company has begun Online E-Commerce business, which is profitable, and is evident from the results.
2. Company has also made profit during the last few year.
3. Management has infused long-term capital in the company on various occasions and shall thrive to do so in future.
4. Management is also planning gradually to modify its business plan by appointing franchise there by reducing working capital intensive dependence.
5. The Company would be able to continue its operation in the foreseeable future through various restructuring and deleveraging measures.
6. Company is in retail business which is inherently slow start business. Efforts needed to break-even generally takes initial few years. Company is satisfied on its own performance and shall thrive to do better in future.

The accounts do not include any adjustment relating to recoverability and classification of recorded asset amounts or the amounts and classification of liabilities.

NOTE: 43 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on 30-05-2018.

In terms of our report attached.

For KARTIK JOSHI & ASSOCIATES
Chartered Accountants
FRN No.132326W

(KARTIK JOSHI)
Partner
Membership No.138152

Place : Vapi
Date : May 30, 2018

For and on behalf of the Board of Directors

Chairman

Managing Director & CEO

Chief Financial Officer

Company Secretary

RADHA MADHAV CORPORATION LIMITED

(CIN: L74950DD2005PLC003775)

Regd. Office: Survey No. 50/9/A, Daman Industrial Estate, Village Kadaiya, Nani Daman –396 210, UT of Daman & Diu

Website: www.rmclindia.co.in • **E-mail:** investor_complaint@rmclindia.co.in,

Tel: 0260-6619000 **Fax:** 0260- 6619010

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of Radha Madhav Corporation Limited will be held at the Registered Office of the Company at Survey No. 50/9/A, Daman Industrial Estate, Village Kadaiya, Nani Daman –396 210, UT of Daman & Diu on 29th September, 2018 at 9.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2018 and Profit & Loss statement for the accounting year ended as on that date together with the Directors' Report and Auditors' Report thereon.

2. To appoint a Director in place of Mr. Mitesh A. Agarwal (DIN: 00060296), who retires by rotation, and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. Related party transaction

   To consider and, if thought fit to pass, with or without modification(s) the following Resolution for related party transaction as a **Special Resolution**

   "**RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the consent of the Audit Committee and the Board of Directors of the Company be and is hereby accorded for entering into contract or arrangement with the related parties as defined under the Act and the Rules made thereunder, as per details and on terms & conditions as set out under Item no. 3 of the Explanatory Statement annexed to this Notice

   RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

By Order and on behalf of the Board

sd/-

(Mr. Mitesh Agarwal)

MD & CEO

DIN: 00060296

Dated: 01.09.2018

Place : Daman

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and proxy so appointed need not be a member of the Company. In order to be effective proxy form must be lodged with the company not less than 48 hours before the commencement of the meeting.

2. At the 13th Annual General Meeting M/s. Kartik Joshi & Associates, Chartered Accountants (Firm Registration No. 132326W) were appointed as Statutory Auditors of the Company for a period of 5 years untill the conclusion of the 18th AGM of the Company.

   The ratification of their appointment pursuant to Section 139 of the Companies Act, 2013 is not required in terms of notification no. SO 1833(E) dated 7th May, 2018 issued by the Ministry of Corporate Affairs and accordingly, the item has not been included in the Ordinary Business of this AGM Notice

3. Explanatory Statements Pursuant to Section 102 of the Companies Act 2013, relating to the special business is annexed herewith.

4. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.

4. The register of members and the share transfer books of the Company will remain closed 22.09.2018 to 29.9.2018 (both days inclusive).

5. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so

as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.

6. 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.

7. Members who hold shares in electronic form are requested to write their DP ID and client ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilities identification of membership at the Meeting. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting. As copies of Annual Report will not be distributed at the meeting.

8. Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.

9. At the ensuing Annual General Meeting Mr. Mitesh A. Agarwal (DIN: 00060296), retire by rotation and are being proposed for re-appointment, the detail as required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings is given below:

Name of Director	Mr. Mitesh A. Agarwal
Date of Birth	20/01/1978
DIN No.	00060296
Date of Appointment	07/01/2005
Expertise in specific functional area	Has rich experience of excellent relationship management skills coupled with extensive contacts in the industry, regulatory and business circles. Effective leadership and motivation skill for setting higher goals and standards and driving the team to achieve the same. Strongly pursues adhering and instilling Company's values in the workforce and promoting good governance culture across the organization. Contributed innovative ideas in risk mitigation with his rapport with industry leader.
Qualifications:	
i. Educational	MSC, MBA holds B.E in Polymer Engineering Fromk MIT Pune and M.S from Oxford University
ii. Experience in Years	17 Years
No. of shares held in the Company	25,55,535
Relationship with other Directors and Key Managerial Personnel	Son of Mr. Anil Jayramdas Agarwal and brother of Mr. Abhisek Anilkumar Agarwal.
No. of Board Meetings attended during F.Y. 2017-18	14
Other directorship in Companies	1. Radha Madhav Research And Trade Pvt. Ltd. 2. Radha Madhav Holdings Private Limited
Membership of committees (M-Member) (C-Chairman)	N.A.
Terms and Condition of appointment	Director, liable to retire by rotation.

10. Voting through electronic means

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the general meeting.

II. The Members whose names appear in the Register of Members/list of Beneficial Owners as received from Central Depository Services (India) Limited (CDSL) on are entitled to vote on the resolutions set forth in this Notice. The Voting period will commence at 9:00 am on 26.09.2018 and will end at 5:00 pm on 28.09.2018.

III. The instructions for members for voting electronically are as under:-

i) The voting period begins on 26.09.2018 at 9:00 am and will end at 5:00 pm on 28.09.2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22.09.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii) The shareholders should log on to the e-voting website www.evotingindia.com.

iv) Click on Shareholders.

v) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

vi) Next enter the Image Verification as displayed and Click on Login.

vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip/ Annual Report indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

xii) Click on the EVSN for the relevant Radha Madhav Corporation Limited on which you choose to vote.

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

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

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

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

xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

IV. The Company has appointed Mr. Dipendra Dilip Dabholkar, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in fair and transparent manner.

V. A copy of this notice has been placed on the website of the Company and the website of CDSL.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9:00 am to 6:00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

By Order and on behalf of the Board

sd/-
(Mr. Mitesh Agarwal)
MD & CEO
DIN: 00060296

Dated: 01.09.2018
Place : Daman

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACTS, 2013

Item No. 3

The Board of Directors of the Company, at its meeting has approved a proposal for entering into following related part transactions.

Name of the related party	Name of the director or key managerial personnel who is related, if any	Nature of relationship	Nature, material terms, monetary value and particulars of the contract or arrangement	Amount
Abhishek Packaging Industries Partnership Firm	1. Mitesh Agarwal 2. Sulochanadevi Agarwal 3. Vandana Agarwal	1. Self 2. Wife of Anil Agarwal 3. Wife of Mitesh Agarwal	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties.	2,00,00,000
Maharashtra Polycane Industries Partnership Firm	1. Anil Agarwal 2. Mitesh Agarwal 3. Masamma Rajappa Patty 4. Rajesh Rajappa Patty	1. Self 2. Self 3. Other 4. other	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties.	2,00,00,000
Radha Madhav Research and Trade Pvt Ltd	1. Mitesh Agarwal 2. Anil Agarwal 3. Abhishek Agarwal	1. Self 2. Self 3. Self	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties.	3,00,00,000
Print Rite Partnership Firm	1. Mitesh Agarwal 2. Anil Agarwal	1. Self 2. Self	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties.	50,00,000

Name of the related party	Name of the director or key managerial personnel who is related, if any	Nature of relationship	Nature, material terms, monetary value and particulars of the contract or arrangement	Amount
Swati Packaging Partnership Firm	1. Abhishek Agarwal 2. Vandana Agarwal	1. Self 2. Wife of MiteshAgarwal	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties. 3. Rent	2,00,00,000 6,00,000
Radha Krishna Industries Partnership Firm	1. Mitesh Agarwal 2. Sulochanadevi Agarwal	1. Self 2. Wife of Anil Agarwal	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties. 3. Rent	2,00,00,000 6,00,000
Careplus Industries Partnership Firm	1. Mitesh Agarwal 2. Anil Agarwal	1. Self 2. Self	1. Purchase/ Sale of Finished and Semi-Finished goods, Raw Materials/Packing etc. 2. Job work by and from Contractee Parties.	10,00,00,000
Radha Madhav Holdings Pvt Ltd	1. Mitesh Agarwal 2. Anil Agarwal 3. Abhishek Agarwal	1. Self 2. Self 3. Self	1. To avail on lease/ Purchase or user right: 1. The brands, E-Commerce platforms and technology, distribution channel, Technical knowhow & Data and other intellect properties	10,00,00,000

The transaction is Related Party Transactions and in terms of Section 188 of the Companies Act, 2013 and the applicable rules thereunder require approval of the Shareholders by passing Special Resolutions.

Further, in terms of Section 188 of the Companies Act, 2013, the Mr. Mitesh Agarwal, Mr. Abhishek Agarwal, Mr. Anil Agarwal, Mrs. Sulochana devi Agarwal, Mrs. Vandana Mitesh Agarwal being interested will not vote on these resolutions as shareholders of the Company

Except the Mr. Mitesh Agarwal, Mr. Abhishek Agarwal, Mr. Anil Agarwal, none of the Directors or Key managerial persons of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution.

The Board of Directors recommends the passing of this Resolution by special resolution.

By Order and on behalf of the Board

sd/-
(Mr. Mitesh Agarwal)
MD & CEO
DIN: 00060296

Dated: 01.09.2018
Place : Daman

RADHA MADHAV CORPORATION LIMITED

(CIN: L74950DD2005PLC003775)
Regd. Office: Survey No. 50/9/A, Daman Industrial Estate, Village Kadaiya,
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Tel: 0260-6619000 **Fax:** 0260- 6619010

FORM NO. MGT-11

Proxy Form for 14th Annual General Meeting

[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 ID: ______________________ Folio No./Client ID No.______________ DP ID No. __________

I/we, being the member(s) of ____________________ shares Radha Madhav Corporation Limited hereby appoint:

1. Name:______________________ Email Id:______________________

   Address:______________________ Signature:______________________ or falling him

2. Name:______________________ Email Id:______________________

   Address:______________________ Signature:______________________ or falling him

3. Name:______________________ Email Id:______________________

   Address:______________________ Signature:______________________ or falling him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual General Meeting of the Company to be held on Saturday, 29th September, 2018 at 09:30 a.m. at Survey No 50/9A, daman Industrial Estate, Village Kadaiya, Nani Daman-396210 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional see Note 2) (Please mention no. of shares)		
Ordinary Business		For	Against	Abstain
1	To receive, consider and adopt the financial statements as at 31st March, 2018 together with the Directors' Report and Auditors' Report thereon.			
2	To appoint a Director in place of Mr. Mitesh A. Agarwal (DIN: 00060296), who retires by rotation, and being eligible offers himself for re-appointment.			
Special Business				
3	To approve Related party transaction.			

Signed this ______________ day of ____________ 2018.

Affix revenue stamp of not less than ₹1

____________________ ____________________

Signature of the Member Signature of the Proxy Holder(s)

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting.
2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

RADHA MADHAV CORPORATION LIMITED

(CIN: L74950DD2005PLC003775)
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Nani Daman –396 210, UT of Daman & Diu
Website: www.rmclindia.co.in • **E-mail:** investor_complaint@rmclindia.co.in,
Tel: 0260-6619000 **Fax:** 0260- 6619010

ATTENDANCE SLIP

for 14th Annual General Meeting

Name of Shareholder	
Reg. Folio No. / Client ID No.	
No. of Shares held	

I hereby record my presence at the 14th Annual General Meeting of the Company on Saturday, the 29th September, 2018 at 09:30 a.m. at Survey No. 50/9/A, Daman Industrial Estate, Village Kadaiya, Nani Daman –396 210, UT of Daman & Diu.

____________________	____________________	____________________	____________________
First/Sole holder /Proxy	Second holder/Proxy	Third holder/Proxy	Fourth holder/Proxy

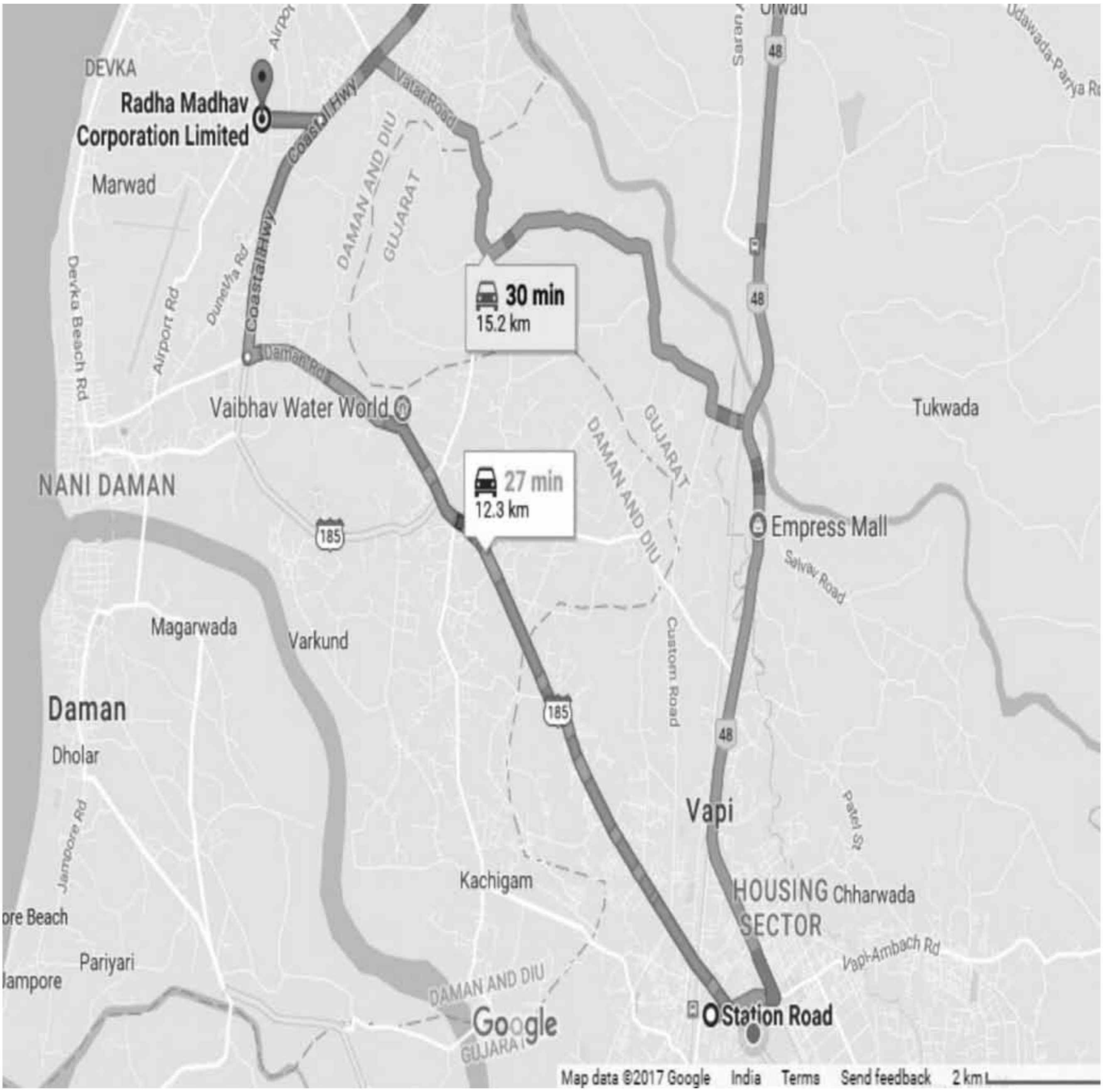
Note:

1. Please fill this Attendance Slip and hand it over at the meeting hall.
2. Shareholder/Proxy Holder/Auth. Representatives are requested to show their Photo ID proof for attending the meeting.

   Joint shareholders may obtain additional attendance slip on request.
3. Auth. Representatives of Corporate members shall produce proper authorization issued in their favour.
4. This Attendance Slip is valid only in case shares are held as on the cut-off date i.e. 22nd September, 2018.

ROUTE MAP TO THE AGM VENUE

for 14th Annual General Meeting



Corporate Information

BOARD OF DIRECTORS

Mr. Anil J. Agarwal	*Chairman, Non Executive & Promoter*
Mr. Mitesh A. Agarwal	*Managing Director & CEO*
Mr. Abhisek A. Agarwal	*Joint Managing Director*
Mr. Dayanand K. Manju	*Non Executive & Independent*
Mr. Jatin G. Patel	*Non Executive & Independent*
Mrs. Noopur N. Mishra	*Non Executive & Independent*
Mr. Sheokumar M. Tripathi	*Non Executive & Independent*
Mr. Mitesh K. Patel	*Non Executive & Independent*

COMPANY SECRETARY & COMPLIANCE OFFICER

CS Mangesh G. Shetye

STATUTORY AUDITORS

KARTIK JOSHI & ASSOCIATES
Chartered Accountants,
Vapi

AUDIT COMMITTEE

Mr. Sheokumar M. Tripathi	*Chairman*
Mr. Mitesh K. Patel	*Member*
Mr. Jatin G. Patel	*Member*

NOMINATION AND REMUNERATION COMMITTEE

Mr. Sheokumar M. Tripathi	*Chairman*
Mr. Mitesh K. Patel	*Member*
Mr. Jatin G. Patel	*Member*

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Sheokumar M. Tripathi	*Chairman*
Mr. Mitesh K. Patel	*Member*
Mr. Jatin G. Patel	*Member*

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Sheokumar M. Tripathi	*Chairman*
Mr. Mitesh K. Patel	*Member*
Mr. Jatin G. Patel	*Member*

BANKERS / INSTITUTIONS

Axis Bank Ltd | Canara Bank Ltd |
HDFC Bank | IDFC Bank |
PNB Bank

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (W) Mumbai-400083,
Maharshtra.

REGISTERED OFFICE

Survey No 50/9, Adaman Industrial
Estate, Village Kadaiya,
Nani Daman-396210, Daman & Diu
Tel No. : (0260) 6619000
Fax No.: (0260) 6619010
Info@rmclindia.co.in
Investor_complaint@rmclindia.co.in

LISTING

Bombay Stock Exchange Ltd (BSE)
National Stock Exchange Of India Ltd (NSE)

If undelivered, please return to:

Radha Madhav Corporation Limited
Survey No. 50/9, Daman Industrial
Estate, kadaiya, Daman - 396 210
0260 6619000/0260 6617000
www. rmcluniverse.com