



Smruthi Organics Limited

Date:24-07-2018

To

Corporate Relation Department

BSE Limited

P. J. Tower, Dalal Street,

Mumbai – 400 001.

To

Listing Department

Metropolitan Stock Exchange of India Ltd

4th floor, Vibgyor tower,

Opposite Trident Hotel,

Bandra-Kurla Complex, Mumbai - 400098

Subject: Annual Report 2017-2018

Dear Sir

PFA Copy of Annual Report for FY 2017-2018.

Please take the same on record.

For Smruthi Organics Limited

Urvashi D. Khanna
Company Secretary & Compliance Officer



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Smruthi Organics Limited

2019

**ANNUAL
REPORT
2017-18**

Smruthi Organics Limited

BOARD OF DIRECTORS

Mr. E. Purushotham - *Chairman & Managing Director*
Mr. E. Swapnil - *Executive Director & Chief Financial Officer*
Mrs. E. Vaishnavi - *Non-Executive Director*
Mr. K.R. Dhole - *Independent Director*
Dr. K. Ramaswamy - *Independent Director*
Mr. J. H. Ranade - *Independent Director*

COMPANY SECRETARY

Ms. Urvashi D. Khanna

AUDITORS

N. R. Waghchaure & Associates

Chartered Accountants,
16-22, Royal Plaza, Behind Bhagwat Petrol Pump,
Muraji Peth, Solapur-413001.

REGISTERED OFFICE

165-A, Balaji Bhavan, 1st Floor,
Railway Lines, Solapur - 413 001.

FACTORIES

Unit - I

Plot No. 273/274, MIDC,
Akkalkot Road, Solapur - 413 006.

Unit - II

Plot No. A-27, MIDC Area, Chincholi,
Post Kondi, Taluka Mohol, Dist. Solapur 413 255

BANKERS

State Bank of India

Industrial Finance Branch,
B-202, Wing-B, 2nd Floor, Parinee crescenzo,
Plot No.C-38 & C-39, G-Block, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051.

REGISTRAR AND TRANSFER AGENTS

M/s. Adroit Corporate Services Pvt.Ltd., 19, Jaferbhoy Indl. Est.,
Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059.
Ph. : 022-42270400.
email : info@adroitcorporate.com www.adroitcorporate.com



Notice

NOTICE is hereby given that the **29th Annual General Meeting** of the Members of **Smruthi Organics Limited** will be held at **Hotel City Park, (Shamiyana Hall) 119, Murarji Peth, Opp. Hutatma Chowk, Solapur 413001** on **Saturday, 11th August, 2018 at 12.30 p.m.** to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended on 31st March, 2018, the Balance Sheet as at that date and the Report of the Auditors and Directors thereon along with Cash-flow statement.
2. To appoint a Director in place of Mr. E. Swapnil, (DIN: 01241535) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit to pass following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions if any of the Companies Act 2013 and the Companies (Audit and Auditors) rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company do ratify and confirm remuneration of Rs. 30000/- plus GST as applicable plus reimbursement of out of pocket expenses payable to M/s. Shriniwas Diddi & Associates, Cost Accountants, Solapur as approved by the Board of Directors upon recommendation of the Audit committee for conducting the audit of the cost records of the Company for the financial year ending 31st March 2019.”

4. To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 including any rules made thereunder, and any statutory modification(s) or re-enactment thereof, to the extent notified for the time being in force, the set of regulations be and are hereby adopted as the Articles of Association of the Company in substitution, and to the entire exclusion, of the set of regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Directors of the Company and/or Company Secretary be and are hereby severally authorized to file necessary forms with Ministry of Corporate Affairs and to do all such acts, deeds and things as may be deemed and expedient and necessary to give effect to this resolution.”

By order of the Board

Place : Solapur

Date : 19th May 2018

(Urvashi Khanna)
Company Secretary



Note :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company, carrying voting rights provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 04th August, 2018 to 11th August, 2018 (both days inclusive).
4. Details under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
5. Electronic copy of the Annual Report for 2017-2018 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a print copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2017-2018 is being sent in the permitted mode. Members are requested to register/update their email address for receiving all communication including Annual Report, Notices etc. from the Company electronically.
6. Electronic copy of the Notice of the 29th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting, along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 29th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting, along with Attendance Slip and Proxy Form is being sent in the permitted mode.
7. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report



for financial year ending 31st March, 2018 will also be available on the Company's website www.smruthiorganics.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

8. Any Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.

9. Voting through electronic means :

In compliance with provisions of Section 108 of the Companies Act, 2013 (the "Act"), Rule 20 of the Companies (Management and Administration) Rules, 2014 (the "Rules") as amended and Sub-clause (1) and (2) of Regulation 44 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting (powered by Central Depository Securities Limited – CDSL), by which the members may exercise a right to cast their votes on the Resolutions proposed to be passed at the Meeting from a place other than the venue of the meetings.

10. Voting through Physical Ballots:

The Members who attend the meeting in proxy or in person and have not cast their vote through any of the means mentioned above e-voting may do so at the meeting using physical ballot assent dissent forms provided at the venue.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 08th August, 2018 from 9.00 a.m. to 10th August, 2018 up to 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Note: E-voting shall not be allowed beyond the said time.

- (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. 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none">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

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) 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.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



- (iv) Click on the EVSN for the relevant Smruthi Organics Limited on which you choose to vote.
- (v) 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.
- (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (vii) 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.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (x) 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.
- (xi) 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 emailed 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/ or Power of Attorney (POA) which they have issued in favour of the authorized representative/ Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xii) 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](mailto:helpdesk.evoting@cdslindia.com).



Please note that :

- ∅ Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- ∅ It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- ∅ In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.cdsl.com> or contact CDSL at the following Help Desk Phone No.: 1800-22-5533, Email : helpdesk.evoting@cdslindia.com
- ∅ The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 03rd August, 2018.
- ∅ Mr. H.R. Thakur, Practicing Company Secretary, Mumbai has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- ∅ The Scrutinizer after scrutinizing the votes cast at the Annual General Meeting through physical Assent / Dissent Ballots and through remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated Scrutinizers report and submit the same to the chairman. The result declared along with consolidated Scrutinizers report shall be placed on Website of the Company www.smruthiorganics.com and communicated to the concerned Stock Exchanges.



Place : Solapur
Date : 19th May 2018

By order of the Board

(Urvashi Khanna)
Company Secretary



Annexure Forming Part Of The Notice

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

SPECIAL BUSINESS:

Ordinary Resolution:

Item No. 3 :

The Board, on the recommendation of the Audit Committee, has approved the appointment of and remuneration payable to Shrinivas Diddi & Associates, Cost Accountants for conducting the audit of the cost records of the Company for the financial year ending March 31, 2019 on a Audit Fees of Rs.30000/- plus GST as applicable and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution.

The Board recommends the Resolution for your approval.

Special Resolution:

Item No. 4:

Company's present set of articles was adopted under provisions of Companies Act, 1956. For bringing the Articles in line with the provisions of Companies Act, 2013 as amended up to date it is proposed to adopt a new set of Articles in substitution of the present set.

The new set of Articles of Association shall be available 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.

None of the Directors and Key Managerial Personnel(s) of the Company or their relatives are directly or indirectly concerned or interested in this Resolution. The Board recommends the Special Resolution for your approval.

Place : Solapur

Date : 19th May 2018

By order of the Board

(Urvashi Khanna)
Company Secretary



Directors Report

Dear Members,

Your Directors are pleased to present the 29th Annual Report and the Audited Financial Statements for the financial year ended 31st March, 2018.

(Rs. in Lakhs)

Financial Results	Current Year 2017-2018	Previous Year 2016-2017
Net Sales & Other Income	<u>9755.12</u>	<u>8032.97</u>
Profit before Interest & Depreciation and Tax	346.87	1093.42
Interest	408.71	437.41
Depreciation	406.58	396.60
Profit / (Loss) before tax	(468.41)	259.33
Less : Provision for Tax (Net) DTA / (DTL)	(147.07)	100.84
Profit / (Loss) After Tax	(321.33)	158.49
Other Comprehensive Income (Net of Tax)	NA	NA
Total Comprehensive Income for the year	NA	NA

Operational Performance/ State of Company's Affairs

During the year under review, total income of the Company was Rs. 9755.12 Lakhs as compared to Rs. 8033.97 Lakhs during previous year, registering a increase of 21.43%. However, inspite of achieving operational profit of Rs. 308 Lakhs. Company has posted net loss of Rs. 321.33 Lakhs on account of write off of irrecoverable net receivables of Rs 794 Lakhs consequent upon cancellation of regulatory approvals of the company.

A detailed overview has been provided under Management Discussion and Analysis Report.

During the year under review there was no change in the Share Capital Structure.

Dividend

In view of losses, Directors do not recommend any dividend.

Reserves

During the year under the review in view of losses, no amount has been transferred to reserves.

Deposits

During the year under review, your Company neither accepted nor renewed any fixed deposits falling within the ambit under provisions of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. Outstanding amount of deposits accepted by the company from it's Directors :- Mr. E. Purushotham Rs. 98 Lakhs, Mrs. E. Vaishnavi Rs. 36 Lakhs



HUMAN RESOURCE DEVELOPMENT (HRD) & INDUSTRIAL RELATIONS:

The Company continues to have cordial and harmonious relations with its employees. Your Directors place on record their appreciation for the commitment, dedication and hard work put in by the employees of the Company during testing times.

The Company is in the process of implementing a revised HRD program for developing better labour relationships. The company has adopted new policies to recruit, develop and retain skilled manpower. With an aim to expand product range and operations, the Company has made several new appointments to its existing team in various departments.

Quality, Safety & Environment:

The Company has appointed an experienced and accomplished professional to head the Quality Assurance function. Under his supervision, the quality team is actively working towards starting registrations in regulatory markets. The company is taking steps in the right direction to resume its supplies to regulated markets.

An experienced veteran of ETP has been recruited to improve environmental compliance and reduce environmental load. Through his initiatives, the company has invested substantial amounts in upgrading effluent treatment facilities in this financial year. The company has substantially reduced waste water generation through efficient recycling of water, which has not only reduced costs of treatment but also reduced energy consumption and environmental load. In addition, the company has implemented several initiatives to engage and train employees to continuously improve working practices and achieve zero accident level.

Research and Development (R&D)

The company made marginal investments in R&D in FY 2017-2018 primarily for process improvement and cost reduction of existing products. However, as the company's financial performance is improving, the company is increasing its R&D spends in the next financial year. The company is opening a new R&D facility with an aim to develop 4 – 5 new products every year. The focus of the R&D will be create economic value through the development of intellectual property.

LISTING OF SHARES:

Besides Metropolitan Stock Exchange of India Ltd, the company also secured listing of its equity shares on BSE Limited w.e.f August 29, 2017 (Scrip Code: 540686).

CORPORATE GOVERNANCE

The Company has complied with the mandatory requirements of the code of Corporate Governance as detailed in clause 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Corporate Governance Report is enclosed as a part of the Annual Report along with the certificate from the Statutory Auditors, M/s. N. R. Waghchaure & Associates, Chartered Accountants, Solapur confirming compliance of the code of Corporate Governance as stipulated Para E of schedule V of the Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations, 2015.



Management Discussion and Analysis

Business of the Company and Future Outlook:

The company posted great growth in top line in FY 17 – 18 over the previous financial year owing to the operational strategies initiated in the previous year. This was primarily driven by our efforts to add more customers for our existing products thus increasing volume. 3 of our key products have grown by over 70% in volume year on year contribution to majority of the growth in top line.

Although, low operating margins have been reported on account of a one-time write off of bad debts of receivables of year FY 12-13 amounting to Rs. 7.97 crore. Adjusting for the same, the company has generated healthy EBITDA margins for FY 2017 – 18. Despite competitive pressure on finished product prices and rise in input prices, the company has been able to improve its operational margins due to various cost cutting and productivity improvement measures undertaken during the year.

The company has repaid its entire term loan of Axis Bank & portion of other long term loan in FY 2017 – 18. Efficient capital management has reduced the financial cost to the company in FY 2017 – 18 compared to the previous financial year.

In FY 2018 - 19, the company has secured several long term supply contracts with customers, which are contributing to top line growth and capacity utilization. Going forward, in addition to pursuing volume growth of existing products, the company is launching 2 – 3 new high margin products in FY 2018 – 19, which will build a platform for future growth. Our API R&D expansion, undertaken in FY 2018 – 19, will ensure delivery of 4 – 5 new API every year while generating valuable intellectual property. The company is also working on developing a formulations marketing business in FY 2018 – 19. The focus will be on creating intellectual property of novel formulations and build a niche market for them subsequently. Our efforts are aimed at making the company a vertically integrated pharmaceutical company driven by innovation.

Risk Management, Opportunities & Threats

Raw Material Supply Risk

The Indian API industry is currently facing a threat of reliable and low cost supply of raw materials from China, due to initiatives taken by the Chinese Government to tackle pollution amongst others. The pressure of rising raw material prices is continuing in addition to sudden supply shocks. The company is also facing this situation and is integrating backward by developing in house raw material manufacturing capability or developing manufacturing processes involving alternative raw materials.

However, this is a great opportunity for Indian API companies to regain market share lost to Chinese API manufacturers by going for backward integration. In addition, the industry can develop capabilities for manufacturing various raw materials domestically reducing dependency on China. The company is evaluating products for R&D development, which will leverage the opportunity created by the supply uncertainty of Chinese products.

Industry & Competition Risk

The API industry is a highly competitive industry with downward pressure on prices. The company has approached the risk of slowing growth and reduced margins by focusing on three things:

1. Cost Reduction: The company continuously works on reducing manufacturing and other costs



through various employee led initiatives. In addition, the management focuses on optimizing capacity utilization to get optimum cost structure.

2. **New Product Development:** Launch of newer higher margin products ensures the company can manage product portfolio in favor of optimizing margins. Our increased R&D efforts are aimed at achieving a consistent flow of new products.

3. **Vertical Integration:** The management envisions the company being a niche player in the business of complex formulations. Our initiatives of launching the formulations business will not only add significantly to revenue and margin growth but also reduce the dependency on API business.

Foreign Exchange Risk

Being a net exporter and net earner of foreign exchange (forex), we do not see significant risk from foreign exchange fluctuations. Any downward pressure on Indian rupee will be beneficial for the company, with very little downside in case of a potentially stronger rupee.

Internal Control Systems:

The Company has adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. However, to improve these systems, the company is planning to implement a suitable ERP system in FY 2018-2019.

Cautionary Statement:

Certain statements, estimates and expectations stated in this Management Discussion and Analysis are based on the current perceptions, data and information available with the Company and may be 'forward-looking statements' within the meaning of applicable securities, laws and regulations.

They reflect the company's current views of future events which are subject to risks and uncertainties, Important factors such as change in the competition scenario in the Company's areas of operations, economic conditions affecting demand/supply and prices situation in the domestic and international market, changes in government regulations, tax laws and other incidental factors may cause actual results to be materially different. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events.

Directors:

Company's applications for waiver of excess remuneration paid to Mr. E Purushotham, Managing Director for the financial years from 2010-2011 to 2013-2014 are still pending with the Central Government.

Mr. E. Purushotham, Managing Director of the Company was re- appointed for a period of 5 (Five) years with effect from 1st April 2017 at AGM held on 04th September, 2017.

Mr. E. Swapnil, Executive Director and Chief Financial Officer (CFO) of the Company was re- appointed for a period of 5 (Five) years with effect from 1st June, 2017 at AGM held on 04th September, 2017.

Mr. E. Swapnil is retiring by rotation and being eligible offers himself for reappointment. You are requested to appoint him.



As required under the SEBI Regulations, particulars of Directors seeking reappointment at the ensuing Annual General Meeting have been given under Corporate Governance Report.

None of the Directors are disqualified from being appointed as Directors, as specified in Section 164 of the Companies Act, 2013.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and their confirmation to adherence to Code of Conduct .

Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out annual performance evaluation of its own performance and of other Committees on the basis of participation of directors, quality of information available, quality of discussions, contributions and decision making etc. The overall performance of the members of the Board was found satisfactory. The performance evaluation of Independent Directors was done by the entire Board of Directors and Directors subject to evaluation had not participated in the same. The Independent Directors evaluated performance of non independent Directors and board as a whole.

Nomination and Remuneration policy and evaluation criteria of Independent Directors:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration and evaluation criteria for performance evaluation of Independent Directors. The Nomination and Remuneration Policy and evaluation criteria of Independent Directors have been provided under Corporate Governance Report.

Audit Committee:

Composition of Audit Committee and terms of reference are given in the Corporate Governance Report.

Details in Respect of Adequacy of Internal Financial Controls with reference to the Financial Statements:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013 (the "Act") with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2018 and of the loss of the company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis; and

(e) the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Meeting of Board and Committees of Directors

During the year 6 Board Meetings and 6 Audit Committee Meetings were convened and held. The details of the same along with other Committee's of Board are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Auditors

In the 28th Annual General Meeting held on 04th September, 2017, M/s. N. R. Waghchaure & Associates., Chartered Accountants, Solapur (Reg.No.: 114999W) have been appointed Statutory Auditors of the Company for a period of 5 years .

Although under Companies (Amendment) Act, 2017, ratification of the members has been dispensed with, company has obtained confirmation from the said Auditors about their eligibility to continue to hold the office during the current financial year.

Auditors' Report

There are no adverse remarks/ modified opinions in the Auditors Report.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. H. R. Thakur, Practicing Company Secretary, Mumbai to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **"Annexure I"**. The findings of Secretarial Audit were satisfactory.

Cost Audit

For Financial Year 2017-2018, the Company had re-appointed M/s. Shrinivas Diddi and Associates, Cost Accountants, Solapur for conducting cost audit.

Members are requested to confirm the appointment and remuneration of the Cost Auditor for the Financial Year 2018-19.



Particulars of Employees:

The information required pursuant to Section 197 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is given below.

Disclosures required with respect to Section 197(12) of the Companies Act, 2013:-

The ratio of the remuneration of each director to the median employee's remuneration (MRE) and such other details in terms of Section 197(12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the Directors	Ratio to median remuneration
Non- executive Directors	
Mrs. E. Vaishnavi	Nil
Mr. J.H. Ranade	Nil
Dr. K. Ramaswamy	Nil
Mr. Kashinath Revappa Dhole	Nil
Executive Directors	
Mr. E. Purushotham	57.11
Mr. E. Swapnil	38.07

*Sitting fees paid to Non Executive Directors not considered as remuneration.

b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors Chief Executive officer, Chief Financial Officer & Company Secretary	% Increase in remuneration in Financial Year
Mr. E. Purushotham	—
Mr. E. Swapnil	55.55%

- c. The percentage increase in the median remuneration of employees in the financial year: 13.31%
- d. The number of permanent employees on the rolls of Company: 152
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NA
- f. Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms remuneration is as per the remuneration policy of the Company.



The information required pursuant to Section 197 read with Rule 5 (2) and 5 (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable as the Company had no employees who were in receipt of remuneration of not less than Rs. 1,02,00,000/- per annum, if employed for full year or not less than Rs. 8,50,000/- per month during any part of the Financial Year .

Corporate Social Responsibility (CSR)

The Company has adopted CSR Policy upon recommendations of CSR Committee as per provisions of the Act. In view of past losses, Company was not required to spend on CSR during the financial year 2015 – 2016 ,2016-2017 and 2017-2018.

The Annual Report on CSR activities forming part of this Board's report is annexed herewith as “**Annexure-II**”

Highlights of the CSR Policy:

Company will operate CSR Policy in the areas of education, healthcare, sanitation and hygiene. Arising from this the focus areas that have emerged are Education, Health care, Sustainable livelihood and espousing social causes, projects shall be identified and adopted as per the activities included and amended from time to time in Schedule VII of the Companies Act, 2013.

Code of Ethics / Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The objective of the Policy is to explain and encourage the directors and employees to raise any concern about the Company's operations and working environment, including possible breaches of Company's policies and standards or values or any laws within the country or elsewhere, without fear of adverse managerial action being taken against such employees.

Particulars of Loans, Guarantees or Investments

Company did not give any loans, guarantees and make any Investment covered under the provisions of Section 186 of the Companies Act, 2013.

Related Party Transactions:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company during the financial year with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

The policy on related party transactions as approved by the Board is uploaded on the Company's website www.smruthiorganics.com.



Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

As required by the Companies (Accounts) Rules, 2014, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgoings respectively, is given in the “Annexure III” to this report.

Risk Management Policy

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing / mitigating the same. Your Company's Risk management framework ensures compliance with the provisions of Regulation 21 of Securities and Exchange board of India (Listing obligations and disclosure requirements) Regulations, 2015.

Corporate Governance

A detailed Report on Corporate Governance is given as a part of Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Certificate of the compliance with Corporate Governance requirements by the Company issued by the Statutory Auditors attached to the Report on Corporate Governance.

Extract of the Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013, the extract of the Annual Return in Form No. MGT-9 forms part of this Board's Report and is enclosed as “Annexure IV”.

Significant and Material Orders passed by the Regulators/ Courts, if any

No significant or material orders were passed by the regulators or courts which impact the going concern status of the Company's operations in future.

Acknowledgment

The Board wishes to place on record its appreciation of sincere efforts put in by the employees of the Company, in helping it reach its current growth levels. Your Directors place on record their appreciation for the support and assistance received from the investors, customers, vendors, bankers, financial institutions, business associates, regulatory and governmental authorities.

For & on behalf of the Board

Place : Solapur
Date : 19th May 2018

(E. Purushotham)
Chairman & Managing Director



FORM No. MR-3

Secretarial Audit Report For The Financial Year Ended 31st March 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members

Smruthi Organics Limited

165-A, Balaji Bhavan, 1st Floor,
Railway Lines, Solapur-413 001.

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

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);



- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, (Not applicable to the Company during the Audit Period);
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not applicable to the Company during the Audit Period);
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).
- I) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India as in force from time to time.
- II. The Listing Agreements entered into by the Company with:
 - a) Metropolitan Stock Exchange of India, Mumbai and
 - b) BSE Limited, Mumbai w.e.f 29th August, 2017.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with The Drugs and Cosmetics Act, 1940 and Narcotic Drugs and Psychotropic Substances Act 1985 the Rules / orders made thereunder as applicable.

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. There was no change in the composition of the Board of Directors during the period under review. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

I further report that the Company has a functional website. The Board has approved various policies pursuant to the Listing Agreement which have been uploaded on the website.

Place : Solapur
Date : 19th May 2018

H.R. Thakur
F.C.S. 2090 C.P. 3193



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

The Members,
Smruthi Organics Limited
165-A, Balaji Bhavan, 1st Floor,
Railway Lines, Solapur-413 001.

My Secretarial Audit Report of even date for the Financial Year 2017-18 is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

2. My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on my audit.
3. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Thanks and regards

Yours' sincerely,

Place : Solapur
Date : 19th May 2018

H.R. Thakur
F.C.S. 2090 C.P. 3193



Annexure – II to DIRECTORS' REPORT

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

- 1. A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Company operates CSR Policy in the areas education, healthcare, sanitation and hygiene. Arising from this the focus areas that have emerged are Education, Health care, Sustainable livelihood and espousing social causes. The projects shall be identified and adopted as per the activities included and amended from time to time in Schedule VII of the Companies Act, 2013. The company endeavors to make CSR a key business process for sustainable development.

Due to past losses, Company was not required to spend on CSR during the financial year 2017-18, 2016-17 and 2015-16. Due to severe cash crunch attributable to past losses, the Company was spent Rs. 4.76 Lakhs out of Rs. 22.14 Lakhs due on CSR activities for financial year 2014-15.

The Corporate Responsibility Policy is disclosed on the Company's website www.smruthiorganics.com.

- 2. The Composition of the CSR Committee:**

Name	Designation	Category
Mr. E. Purushotham	Managing Director	Executive
Mr. J. H. Ranade	Independent Director	Non-Executive
Dr. K. Ramaswamy	Independent Director	Non-Executive

Meeting of the CSR committee was held on 05-08-2017.

- 3. Average Net Profit (loss) of the company for last three financial years :**

Rs. (30.17) lacs.

- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Nil**

Details of CSR spent during the financial year-

Total Amount spent during the Financial Year 2017-18: Rs. 4.76 Lakhs.(Due for FY 2014-15)

Amount unspent, if any: Rs. 17.38 Lakhs.

Mr. E. Purushotham (Managing Director and Chairman CSR Committee)	Mr. J. H. Ranade (Director)	Dr. K. Ramaswamy (Director)
--	---------------------------------------	---------------------------------------

For & on behalf of the Board

Place : Solapur

Date : 19th May, 2018

E. Purushotham
Chairman & Managing Director



Annexure – III to DIRECTORS' REPORT

PARTICULARS PURSUANT TO SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013
READ WITH COMPANIES (ACCOUNTS) RULES, 2014.

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. CONSERVATION OF ENERGY

(i) Steps Taken On Conservation Of Energy:

Energy conservation measures taken:

The major steps taken towards energy conservation were;

- 1) Major modification of two multifuel boilers to improve fuel efficiency.
- 2) Installation of LED lights to reduce energy consumption for lighting.
- 3) Recycling of boiler condensate to reduce energy consumed to pre-heat boiler feed.
- 4) Segregation of effluents to reduce load on high energy operations such as Multi Effect Evaporators.

(ii) Steps Taken By The Company For Utilizing Alternate Sources Of Energy:

No significant steps were taken by the company for utilization of alternate energy sources.

(iii) Capital Investment on Energy Conservation Equipment:

The capital investment for all of the above energy conservation equipment in FY 2017 – 18 is Rs. 152 Lakhs.

B. TECHNOLOGY ABSORPTION

(i) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – None

(ii) The expenditure incurred on Research and Development.

(Rs. in Lakhs)

		2017-2018	2016-2017
4.	Expenditure on R&D		
a)	Capital	--	--
b)	Recurring	33.43	48.04
c)	Total	33.43	48.04
d)	Total R&D Expenditure as a Percentage of total turnover	0.35%	0.62%



C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lakhs)

	2017-2018	2016-2017
Foreign exchange outgo	2263	1892
Foreign exchange earned	4172	2761

For & on behalf of the Board

Place : Solapur

Date : 19th May, 2018

(E. Purushotham)
Chairman & Managing Director





Annexure – IV to THE DIRECTORS' REPORT

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 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 :	L24119PN1989PLC052562
ii) Registration Date :	11/07/1989
iii) Name of the Company :	Smruthi Organics Limited
iv) Category / Sub-Category of the Company:	Indian Non-Government Company Limited by shares
v) Address of the Registered Office and contact details :	165-A, Balaji Bhavan, 1st Floor, Railway Lines, Solapur-413 001 Tel no: 0217 2310267 Website: www.smruthiorganics.com
vi) Whether listed company :	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Indl. Est., Makwana Road, Marol Naka, Andheri (E) Mumbai – 400059. Email:sandeeps@adroitcorporate.com / sandeeph@adroitcorporate.com Ph.: 022-42270400

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
Bulk Drugs & Drug Intermediates (API Products)	3041	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name & Address of Company	CIN/ GLN	HOLDING/ SUBSIDIARY ASSOCIATE	% Of shares held	Applicable Section
The Company did not have any holding, subsidiary and associate company					



IV) SHAREHOLDING 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. Promoter									
(1) Indian									
a) Individual/HUF	22,95,116	0	22,95,116	60.15	22,95,556	0	22,95,556	60.16	0.01
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	82,000	0	82,000	2.15	82,000	0	82,000	2.15	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other									0
f-1) DIRECTORS RELATIVES	57,550	0	57,550	1.51	57,550	0	57,550	1.51	0
Sub Total (A) (1)	24,34,666	0	24,34,666	63.81	24,35,106	0	24,35,106	63.82	0.01
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	24,34,666	0	24,34,666	63.81	24,35,106	0	24,35,106	63.82	0.01
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1)	0	0	0	0.00	0	0	0	0.00	0.00



(2) Non - Institutions									
a) Bodies Corp.									
a-i) Indian	73,829	1,14,700	1,88,529	4.94	1,20,750	1,13,700	2,34,450	6.14	1.2
a-ii) Overseas					0	0	0	0	0
b) Individuals									
i) Individual share-holders holding nominal share capital upto Rs.2 lakh	6,69,383	2,25,505	8,94,888	23.45	6,86,126	1,87,445	8,73,571	22.90	(0.55)
ii) Individual share-holders holding nominal share capital in excess of Rs. 2 lakh	2,36,364	6,240	2,42,604	6.36	1,98,890	0	1,98,890	5.22	(1.14)
c) Other									
c-1) Non Resident Indians (individuals)	22,743	32,000	54,743	1.43	10,743	30,000	40,743	1.07	(0.36)
c-2) Clearing Member	0	0	0	0	5,100	0	5,100	0.13	0.13
c-3) Others	0	0	0	0	27,570	0	27,570	0.72	0.72
Sub-total (B) (2)	10,02,319	3,78,445	13,80,764	36.18	10,49,179	3,31,145	13,80,324	36.18	0
Total Public Share-holding (B) = (B)(1) + (B)(2)	10,02,319	3,78,445	13,80,764	36.18	10,49,179	3,31,145	13,80,324	36.18	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public-	0	0	0	0	0	0	0	0	0
Grand Toatl (A+B+C)	34,36,985	3,78,445	38,15,430	100	34,84,285	3,31,145	38,15,430	100	0

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in 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	*Eaga Purushotham Malaiah	15,28,560	40.06	-	15,29,000	40.07	-	0.01
2	Vaishnavi Purushotham Eaga	5,76,475	15.11	-	5,76,475	15.11	-	-
3	Swapnil Purushotham Eaga	1,90,081	4.98	-	1,90,081	4.98	-	-
4	Smruthi Chemicals and Intermediates Limited	82,000	2.15	-	82,000	2.15	-	-
5	Yadagiri M Eaga	24,050	0.63	-	24,050	0.63	-	-
6	Smruthi Purushotham Eaga	24,000	0.63	-	24,000	0.63	-	-
7	Eaga Rajamouli	9,500	0.25	-	9,500	0.25	-	-
	TOTAL	24,34,666	63.81	-	24,35,106	63.82	-	0.01

*Change in Shareholding is due to clubbing of 2 folios of the shareholder. No fresh shares were acquired.



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

Sr. No.	Name fo the Promoter	Shares Holding at the beginning of the year		Cumulative Shares Holding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	E. Purushotham	15,28,560	40.06	15,28,560	40.06
	At the beginning of the year				
	Increase /-Decrease during the year	440	0.01	15,29,000	40.07
	At the end of the year			15,29,000	40.07
2	Vaishnavi Eaga	5,76,450	15.108	5,76,450	15.108
	At the beginning of the year				
	Increase /-Decrease during the year	25	0.01	5,76,475	15.109
	At the end of the year			5,76,475	15.109
3	Swapnil Purushotham Eaga	1,90,081	4.98	1,90,081	4.98
	at the beginning of the year				
	At the end of the year			1,90,081	4.98
4	Smruthi Chemicals And Intermediates Limited	82,000	2.15	82,000	2.15
	At the beginning of the year				
	At the end of the year			82,000	2.15
5	Yadagiri M. Eaga	24,050	0.63	24,050	0.63
	At the beginning of the year				
	At the end of the year			24,050	0.63
6	Smruthi Purushotham Eaga	24,000	0.63	24,000	0.63
	At the beginning of the year				
	At the end of the year			24,000	0.63
7	Eaga Rajamouli	9,500	0.25	9,500	0.25
	At the beginning of the year				
	At the end of the year			9,500	0.25

*Change in Shareholding is due to clubbing of 2 folios of the shareholder. No fresh shares were acquired.



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

Sr. No.	Top Ten Share Holder's	Shares Holding at the beginning of the year		Cumulative Shares Holding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Dheeraj Kumar Lohia At the beginning of the year Increase / Decrease during the year	0 90,568	0 2.37	0 90,568 90,568	0 2.37 2.37
2	Rajasthan Global Securities Private Limited At the beginning of the year Increase / Decrease during the year At the end of the year	40,169 7,615	1.05 0.2	40,169 47784 47784	1.05 1.25 1.25
3	Hamsons Lab Pvt Ltd At the beginning of the year At the end of the year	35,000	0.92	35,000 35,000	0.92 0.92
4	Saga Chemicals Pvt Ltd At the beginning of the year At the end of the year	35,000	0.92	35,000 35,000	0.92 0.92
5	Alpic Pharma Pvt Ltd At the beginning of the year At the end of the year	35,000	0.92	35,000 35,000	0.92 0.92
6	Ashish Chugh At the beginning of the year Increase / Decrease during the year At the end of the year	0 29,679	0 0.78	0 29,679 29,679	0 0.78 0.78
7	Investor Education & Protection Fund At the beginning of the year Increase / Decrease during the year At the end of the year	0 26,094	0 0.68	0 26,094 26,094	0 0.68 0.68
8	Rajasthan Global Securities Private Limited At the beginning of the year Increase / Decrease during the year At the end of the year	40,169 (14,590)	1.05 (0.38)	40,169 25,579 25,579	1.05 0.67 0.67
9	Raj Kumar Lohia At the beginning of the year Increase / Decrease during the year At the end of the year	20,60 42195	0.54 0.06	20,604 22,799 22,799	0.54 0.60 0.60
10	Rajasekhar Guttikonda At the beginning of the year Increase / Decrease during the year At the end of the year	35,354 (14,300)	0.93 (0.38)	35,354 21,054 21,054	0.93 0.55 0.55



v) Shareholding of Directors and key Managerial Personal

Sr. No.	Name fo Director / KMP	Shares Holding at the beginning of the year		Cumulative Shares Holding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	E. Purushotham (Managing Director)				
	At the beginning of the year	15,28,560	40.063	15,28,560	40.063
	Increase /-Decrease during the year	440	0.01	15,29,000	40.07
	At the end of the year			15,29,000	40.07
2	Vaishnavi Eaga (Director)				
	At the beginning of the year	5,76,475	15.109	5,76,475	15.109
	At the end of the year			5,76,475	15.109
3	Swapnil Purushotham Eaga (Whole time Director and CFO)				
	At the beginning of the year	1,90,081	4.98	1,90,081	4.98
	At the end of the year			1,90,081	4.98
4	Jayant Hari Ranade (Independent Director)				
	At the beginning of the year	-	-	-	-
	Increase / Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
5	Kashinath Revappa Dhole (Independent Director)				
	At the beginning of the year	-	-	-	-
	Increase / Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Rama Swami Kaumala (Independent Director)				
	At the beginning of the year	-	-	-	-
	Increase / Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	Urvashi D. Khanna (Company Secretary)				
	At the beginning of the year	-	-	-	-
	Increase / Decrease during the year	-	-	-	-
	At the end of the year	-	-	-	-



VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			-	269,217,369
i) Principal Amount	255,747,339	13,470,030	-	
ii) Interest due but not paid			-	
iii) Interest due accrued but not due			-	
Total (i+ii+iii)	255,747,339	13,470,030	-	269,217,369
Change in indebtedness during the financial year				
Addition	23,224,401		-	23,224,401
Reduction		(64,970)	-	(64,970)
Net Change	23,224,401	(64,970)	-	23,159,431
Indebtedness at the end of the financial year				
i) Principal Amount	278,971,740	13,405,060	-	292,376,800
ii) Interest due but not paid			-	
iii) Interest accrued but not due			-	
Total (i+ii+iii)	278,971,740	13,405,060	-	292,376,800

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (in Rs.)
		Mr. E.Purushotham	Mr. E.Swapnil	
1.	Gross Salary (a) Salary as per provision 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	84,00,000	56,00,000	1,40,00,000
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % profit - others, specify ...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	84,00,000	54,00,000	1,40,00,000
	Ceiling as per the Act	84,00,000	84,00,000	



B. Remuneration to other directors:

1. Independent Directors

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		J.H.Ranade	K.Ramaswamy	K.R.Dhole	
1.	Fee for attending board committee meetings	1,55,000	65,000	1,55,000	3,75,000
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (1)	1,55,000	65,000	1,55,000	3,75,000

2. Non - Executive Directors

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		E.Vaishnavi		
1.	Fee for attending board committee meetings	75,000		75,000
	Commission	-		-
	Others (Salary)	-		-

C. **REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Ms. Urvashi Khanna	CFO Mr. E. Swapnil	Total
1.	Gross Salary (a) Salary as per provision 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	3,35,000	**	3,35,000
2	Stock Option	-	-	- -
3	Sweat Equity	-	-	- -
4	Commission - as % profit - others, specify ...	-	-	- -
5	Others, please specify Total (A)	- 3,35,000	- --	- 3,35,000

** included in Whole time Directors Remuneration.



VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT / COURT)	Appeal made, if any (Give Details)
A. Company Penalty Punishment Compounding			Not Applicable		
B. Directors Penalty Punishment Compounding			Not Applicable		
C. Other Officers in Default Penalty Punishment Compounding			Not Applicable		

For & on behalf of the Board

Place : Solapur
Date : 19th May, 2018

(E. Purushotham)
Chairman & Managing Director



CORPORATE GOVERNANCE REPORT

I) Company's Philosophy on Code of Governance:

The Company's Philosophy on Corporate Governance envisages attainment of transparency and accountability in all spheres including its dealings with employees, shareholders, customers, vendors, lenders and others.

The Company believes that the system and the action lead to enhance the performance and shareholder's value.

II) Board of Directors:

1) Composition:

The Board of Directors comprises of 6 Directors as detailed below. (Position as on 31st March, 2018)

Category of Directors	Name of Directors
Promoters Executive	Mr. E. Purushotham, Mr. E. Swapnil
Promoters Non Executive	Mrs. E. Vaishnavi
Independent Non Executive	Mr. J. H. Ranade, Dr. K. Rama Swamy, Mr. K. R. Dhole

Executive and Non-Executive Promoter Directors are related to each other as Husband / Wife / Son.

The Company has an optimum combination of Executive and Non-Executive/Independent Directors which is in conformity with the Companies Act, 2013 and the Listing Regulations. None of the Independent Non- Executive Directors have any material pecuniary relationship or transactions with the company. None of the Directors on the Board are members of more than 10 committees or chairman of more than 5 committee as specified in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amongst all companies in which they are Directors.

2) Meetings and Attendance:

Six Board Meetings were held during the Financial Year on the following dates:-

- 1) 13th April, 2017
- 2) 11th May, 2017
- 3) 05th August, 2017
- 4) 03rd October, 2017
- 5) 11th November, 2017
- 6) 10th February, 2018

Details regarding attendance of the Directors at the Board Meetings held during the Financial Year 2017-2018 and at the last Annual General Meeting held on 04th September, 2017 are given below:

Sr. no.	Name	Designation	DIN	Status	No. of Board Meeting attended	No. of Directorship held in other Companies	Attended last AGM	No. of Committee positions held in other Companies	
								Chairman of Committee	Member of Committee
1	Mr. E. Purushotham	Managing Director	00033583	Executive	5	1	YES	-	-
2	Mr. E. Swapnil	Executive Director & Chief Financial Officer	01241535	Executive	6	1	YES	-	-
3	Mrs. E. Vaishnavi	Director	00033669	Non-Executive	5	1	YES	-	-
4	Mr. K. R. Dhole	Independent Director	012076675	Non-Executive	6	1	NO	-	-
5	Mr. J.H. Ranade	Independent Director	00004814	Non-Executive	6	13	YES	-	-
6	Dr. K. Rama Swamy	Independent Director	05273930	Non-Executive	1	0	NO	-	-



Code of Conduct:

The Board has laid down the Code of Conduct for all Board members and Senior Managerial Personnel of the Company and the compliance of such Code has been affirmed by them. The Code of Conduct is available on the website of the Company at www.smruthiorganics.com.

3) Details of Director seeking re-appointment at the Annual General Meeting:

Name of the Director	Mr. E. Swapnil Executive Director & CFO
Date of Birth	30/03/1984
Date of Appointment	06/04/2009
Expertise in Specific Functional Area	Technical, Business Development & Finance
Qualification	B.S. (Chemical Engineering) USA & MBA (Finance), Spain
Directorship / Committee	Smruthi Chemicals & Intermediates Ltd.
Memberships in other Companies	1
No. of shares held in the company	190081

Familiarization programmes to Independent Directors:

Details of familiarization programme imparted to Independent Directors is available on Company's website: www.smruthiorganics.com

III. Audit Committee:

The Audit Committee constituted on 30th December 2005 enjoys all powers / terms of reference as mentioned in Regulation 18 of (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 177(4) of the Companies Act 2013. The scope of the Audit Committee includes all matters stated in Regulation 18 (3) of Listing Regulations. Composition of Audit Committee conforms to the requirements Listing Regulations as under:-

The details of composition of the Committee and their attendance at the meetings are given below:

Name	Designation	Category	No. of Meetings attended
Mr. J. H. Ranade	Chairman	Independent	6
Dr. K. Ramaswamy	Member	Independent	1
Mr. K. R. Dhole	Member	Independent	6

During the Financial year 2017-2018, Six Meetings of Audit Committee were held which are as under:-

- 1) 13th April, 2017
- 2) 11th May, 2017
- 3) 05th August, 2017
- 4) 03rd October, 2017
- 5) 11th November, 2017
- 6) 10th February, 2018



Audit Committee meetings were attended by the Chairman and Managing Director, Statutory Auditors and Company Secretary were invited for such meeting. Members of the Audit Committee have requisite financial and management expertise. Chairman of the Audit Committee was present at the Annual General Meeting held on 04th September, 2017.

The Audit Committee acts in accordance with the terms of reference specified by the Board which includes the recommendation for appointment, remuneration and terms of appointment of auditors of the Company, review and monitor the auditor's independence and performance and effectiveness of the audit process, examination of the financial statements and the auditor's report thereon, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the Company wherever it is necessary, evaluation of internal financial controls and risk management systems, monitoring the end use of funds raised through public offers and related matters.

IV. Nomination and Remuneration Committee:

The Remuneration Committee was constituted on 24th April 2006 for the purpose of approving remuneration of the managerial personnel as envisaged under the provisions of Companies Act, 2013 and Listing Regulations.

Terms of reference:

The role, broad terms and reference of the committee includes the following:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;
- d. 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 their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Committee is comprised of:-

Name	Designation	Category	No. of Meetings attended
Mr. J. H. Ranade	Chairman	Independent	2
Dr. K. Ramaswamy	Member	Independent	1
Mrs. E. Vaishnavi	Member	Non-Executive	2
Mr. K. R. Dhole	Member	Independent	2

During the Financial year 2017-2018, Two Meetings of Nomination & Remuneration Committee were held which are as under:-

- 1) 11th May, 2017
- 2) 03rd October, 2017



The Committee also evaluates performance of the Independent Directors on the basis of their involvement in the Board functioning and discharge of their responsibilities as contemplated under Companies Act, 2013 and SEBI Listing Regulations.

Remuneration Policy:

Remuneration to be paid to Managing / Whole time Director shall be governed as per the provisions of the Companies Act, 2013 and rules made there under. Approvals of the Directors / Shareholders are obtained wherever necessary. Non-Executive / Independent Directors are paid sitting fees and may be paid such other remuneration as permissible under the provisions of the Companies Act. Any remuneration paid to Non-Executive / Independent Directors for professional services rendered shall not be considered as a part of remuneration provided such services are rendered in professional capacity at concerned Director possesses requisite qualifications for practice that profession.

Remuneration to Key Managerial Personnel:

Remuneration to Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Remuneration to Executive Directors :

(Amount in Rs.)

Particulars	Mr.E. Purushotham Managing Director	Mr.E. Swapnil Executive Director & Chief Financial Officer
Salary & Other Allowances	84,00,000	56,00,000
Contribution to Provident & Other Funds	10,08,000	6,72,000
Commission	-----	-----

Remuneration to Non-Executive Directors: Nil

The sitting fees payable to the Non- Executive Directors is as under:-

(Amount in Rs.)

Name	Board	Audit / Remuneration Committee	Total
Mrs. E. Vaishnavi	70,000	5,000	75,000
Dr. K. Ramaswamy	20,000	45,000	65,000
Mr. J.H. Ranade	80,000	75,000	1,55,000
Mr. K. R. Dhole	80,000	75,000	1,55,000

V. Stakeholders Relationship Committee:-

The Committee reviews all matters connected with Shareholders complaints, if any, like transfer of shares, non-receipt of Balance Sheet, non-receipt of dividend etc. During the financial year 2017-2018 one (1) meeting was held on 18th May, 2017 to look into redressing of Shareholders complaint.



The Committee was comprised of:

Name	Designation	Category
Mrs. E. Vaishnavi	Chairperson	Non-Executive (Promoter)
Mr. E. Purushotham	Member	Executive (Promoter)

During the year, one complaint was received from the shareholder on the SEBI website www.scores.gov.in/Admin and the same was solved to the satisfaction of the shareholder.

VI. Corporate Social Responsibility (CSR) Committee:

During the financial year 2017-2018, meeting of the CSR committee was held on 05th August 2017. The details of the composition of the Committee is given below:

Name	Designation	Category
Mr. E. Purushotham	Managing Director	Executive
Mr. J. H. Ranade	Independent Director	Non-Executive
Dr. K. Ramaswamy	Independent Director	Non-Executive

VII. Independent Directors Meeting:

As required under Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI LODR 2015, the Independent Directors have to hold at least one meeting in a year, without the attendance of non-independent directors and members of the management.

During the financial year 2017-2018, the meeting of Independent Directors was held on 10th February, 2018.

The role, broad terms and reference of the committee shall include the following:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive directors and Non-executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. General Body Meetings:

Details of the Annual General Meetings held during the preceding 3 years and Special Resolutions passed thereat are given below:-

Financial Year	Date & Time	Venue	No.of Directors present
2016-2017	04th Sept. 2017 at 12.30 p.m.	Hotel City Park, Solapur	4
2015-2016	6th Aug. 2016 at 12.30 p.m.	Hotel City Park, Solapur	4
2014-2015	11th Aug. 2015 at 12.30 p.m.	Hotel City Park, Solapur	4



Details of Special Resolutions Passed:-

2016-17:-

- ∅ Re-appointment of Mr. E. Purushotham as Managing Director of the Company on a term of 5 years with effect from 01st April, 2017 till 31st March, 2022.
- ∅ Re-appointment of Mr. E. Swapnil as Executive Director and Chief Financial Officer(CFO)of the Company for a period of 5 years with effect from 01st June, 2017 till 31st May, 2022.

2015-16:- No Special Resolutions were passed during the year.

2014-15:- Appointment of Mr. E. Swapnil as Director in whole time employment designated as “Executive Director and CFO” on a term of 3 years with effect from 1st June, 2015 to 31st May, 2018 and approval of waiver of excess remuneration paid to Mr. E. Purushotham, Managing Director during a period from 1st April 2013 to 31st March 2014.

- ∅ Special Resolution was passed on 31st December, 2015, for approval of shareholders for waiver of excess remuneration paid to Mr. E. Purushotham, Managing Director for Financial years 2010-11, 2011-12, 2012-13 and for making application to Central Government for the same through postal ballot. Mr. H. R. Thakur Practising Company Secretary was appointed as Scrutiniser for conducting ballot process.
- ∅ None of business proposed to be transacted at the ensuing Annual General Meeting requires passing of Resolutions through Postal Ballot.

IX. Disclosures:

1. There were no transactions, which were materially significant during the year with promoters, directors or their relatives that have potential conflict with the interest of the Company. Transactions with related parties are disclosed under notes to accounts in the annual report.
2. There were no instances of non-compliance of any matter related to the capital markets during the last three years.
3. The Company has followed accounting treatment as prescribed in Accounting Standards applicable to the Company.
4. The Company has a Vigil mechanism called Whistle Blower policy, all employees have been provided to access direct to the Audit committee.

Compliance with Corporate Governance requirements

The company has complied with the mandatory corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI LODR 2015.

Compliance with Regulations

The Company has complied with all the requirements of the SEBI LODR 2015 with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchanges or any other statutory authority in any matter relating to capital markets



X. Risk Management:

Company has defined Risk Management Policy. The Audit Committee reviews Risk Management strategy of the Company to ensure effectiveness of risk management policies and procedures.

XI. CEO/CFO Certification:

The Chairman and Managing Director have furnished the requisite certificate to the Board of Directors as required under Regulation 17 (8) of the SEBI Listing Regulations.

XII. Code of Ethics / Vigil Mechanism / Whistle Blower Policy:

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The objective of the Policy is to explain and encourage the directors and employees to raise any concern about the Company's operations and working environment, including possible breaches of Company's policies and standards or values or any laws within the country or elsewhere, without fear of adverse managerial action being taken against such employees. The details of the policy is also listed on the company's website: www.smruthiorganics.com.

XIII. The Company has complied with the mandatory requirements and shall comply with the discretionary requirements specified under Part E of Schedule II of Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015 at the appropriate time.

XIV. Related party Transactions:

The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large. The related party transactions entered into with the related parties as defined under the Companies Act, 2013 and as per Listing Regulations during the financial years were in the ordinary course of business and the same have been approved by the Audit Committee/ Board of Directors Transactions with the related parties are disclosed under Notes forming part to the financial statements in the Annual Report. The Board of Directors have approved a policy of related party transactions which has been uploaded on the website of the Company www.smruthiorganics.com.

XV. Means of Communication:

The Quarterly, Half-Yearly and Audited financial results of the Company are announced within the prescribed time period stipulated under the SEBI listing Regulations . These results are published in The Free Press Journal/ Navashakti, Active Times/ Mumbai Lakshdeep, Daily Sakal / Sanchar and Divya Marathi (Local News Paper). All data relating to Quarterly Financial Results is provided on the Company's Web Site i.e. www.smruthiorganics.com. Important events are also displayed on Company's website.



SHAREHOLDERS INFORMATION

1. Annual General Meeting :

Venue: Hotel City Park, (Shamiyana Hall), 119 Murarji Peth, Opp. Hutatma Chowk, Solapur – 413001.

2. Financial Calendar (Tentative) : April 2018 to March 2019

Particulars of Meetings	Date
Un-audited Quarterly Result for the quarter ended 30th June 2018	2nd week of Aug 2018
Un-audited Quarterly Result for the quarter ended 30th September 2018	2nd week of Nov. 2018
Un-audited Quarterly Result for the quarter ended 31st December 2018	2nd week of Feb.2019
Audited / Un-Audited Financial Result for the quarter - ended 31st March 2019	Last week of May 2019

3. Date of Book Closure :

4th August 2018 To 11th August 2018 (Both days inclusive)

4. Dividend payment date : N.A.

5. Listing on Stock Exchanges :

- The Equity Shares of the Company are listed at BSE Limited w.e.f August 29, 2017 (Scrip Code: 540686) and Metropolitan Stock Exchange of India Limited (SMRUTHI)

DEMAT : ISIN Number: INE172E01011

CIN : L24119PN1989PLC052562

Company has paid Annual Listing Fees to each of the Stock Exchanges where it is listed.

6. Stock Prices :-

Market price data - High / Low during each month of the financial year 2017-2018.

The Equity Shares of the Company are listed at BSE Limited w.e.f August 29, 2017 (Scrip Code: 540686)

Month & Year	Open Rs.	High Rs.	Low Rs.	Close Rs.
April – 2017	N.A.	N.A.	N.A.	N.A.
May – 2017	N.A.	N.A.	N.A.	N.A.
June – 2017	N.A.	N.A.	N.A.	N.A.
July – 2017	N.A.	N.A.	N.A.	N.A.
August – 2017	85.45	98.85	85.45	98.85
September–2017	103.75	109.95	82.25	85.10
October – 2017	68.40	102.15	68.40	90.00
November–2017	90.00	98.50	75.20	92.50
December- 2017	91.10	102.90	80.30	94.00
January – 2018	97.95	119.00	91.40	92.00
February – 2018	96.00	123.00	85.00	113.95
March - 2018	110.00	115.00	92.20	99.00



7. Registrar and Transfer Agents :

M/s. Adroit Corporate Services Pvt.Ltd., 19, JaferbhoyIndl. Est., Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059.

8. Share Transfer System :

Presently, the Share Transfers which are received in physical form are processed by the Registrars and Share Transfer Agents and approved by the Committee of Directors in their meeting which normally meets twice in a month and the share certificates are returned within a period of 20 to 25 days from the date of lodgment, subject to the transfer instrument being valid and complete in all respects.

9. Reconciliation of Share Capital Audit :

The Company Secretary in practice carried out reconciliation of share capital audit which confirms that Issued / Paid-up Capital is in agreement with the aggregate of the total number of shares in Physical & Demat Form.

10. Share Distribution Schedule :

Share holding of Nominal Value of Shareholders share amount (as on 31.03.2018)

Shares	Number	% to total	Total Shares	Rs.	% to total
Upto-500	1185	76.3	208110	2081100	5.46
501-1000	179	11.53	152308	1523080	3.99
1001-2000	64	4.12	105226	1052260	2.76
2001-3000	50	3.22	123290	1232900	3.23
3001-4000	13	0.84	46621	466210	1.22
4001-5000	12	0.77	57574	575740	1.51
5001-10000	22	1.42	170776	1707760	4.48
10001 & above	28	1.8	2951525	29515250	77.35
TOTAL	1553	100.00	3815430	38154300	100.00

11. Shareholding pattern:

Category	No. of Shares	% to share capital
NRI	40,743	1.07
Corporate Body	3,23,036	8.47
Directors & Relatives	23,53,106	61.67
Indian Public	10,98,545	28.79
TOTAL	38,15,430	100.00



12. Dematerialization of shares and liquidity:

3484285 shares have been dematerialized as on 31st March 2018 constituting 91.32 % of total Paid up Share Capital.

13. Subsidiary Company: The Company does not have any Subsidiary Company.

14. Outstanding GDRs / ADRs / Warrants and other Convertible Instruments, conversion dates and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants and other Convertible instruments.

15. Plant locations:

Unit-I : Plot No.273,274, MIDC, Akkalkot Road, Solapur –413006.

Unit-II : Plot No. A-27, MIDC Chincholi, Solapur –413255.

16. Address for correspondence:

Registered: 165-A, Balaji Bhavan, 1st Floor,
Railway Lines, Solapur –413001.

Tel. No. : 0217-2310267, 367

Fax No. : 0217-2310268

Email id : changale@smruthiorganics.com; cs@smruthiorganics.com;
investors@smruthiorganics.com

website : www.smruthiorganics.com

17. Secretarial Department:- The Company's Secretarial Department headed by the Company Secretary who is also Compliance Officer is situated at the Registered Office. Investors may contact the department for any assistance.

For & on behalf of the Board

Place : Solapur
Date : 19th May 2018

(Eaga Purushotham)
Chairman & Managing Director

COMPLIANCE WITH CODE OF BUSINESS CONDUCT :

As required under Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2018.

For & on behalf of the Board

Place : Solapur
Date : 19th May 2018

(Eaga Purushotham)
Chairman & Managing Director



Auditor's Certificate on Compliance of Conditions of Corporate Governance

To
The Members of Smruthi Organics Ltd.,
Solapur

We have examined the compliance of conditions of Corporate Governance by Smruthi Organics Limited ("the Company") for the year ended 31st March 2018 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given by us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Regulations referred above.

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

M/s. N. R. Waghchaure & Associates;
Chartered Accountants,
FRN : 114999W

N. R. Waghchaure
Proprietor
ICAI Membership No : 048890

Place: Solapur.
Date : 19th May 2018



Chief Executive Officer (CEO) & Chief Financial Officer (CFO) Certification

To,
Board of Directors
Smruthi Organics Limited.

We have reviewed the Financial Statements and the Cash Flow Statement of Smruthi Organics Limited for the year ended 31st March, 2018 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year.
 - (ii) significant changes, if any, in accounting policies made during the year and that the same have 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 a significant role in the Company's internal control system over financial reporting.

Yours faithfully

Eaga Swapnil
Executive Director & CFO

Eaga Purushotham
Managing Director



INDEPENDENT AUDITORS' REPORT

To,
The Members of Smruthi Organics Limited

Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Smruthi Organics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive Income), the Cash Flow Statement and the statement of changes of equity for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, including Ind AS of the state of affairs (Financial Position) of the Company as at March 31, 2018, and its loss (Financial performance including other comprehensive Income) and its cash flows and the changes in equity for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order) issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in Annexure A, a statement on matters specified in paragraphs 3 and 4 of the said order .
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
 - (e) In the course of our audit we have not come across any transactions or matters which have any adverse effects on the functioning of the company.
 - (f) 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.
 - (g) With respect to the adequacy of the internal financial control over financial reporting of the company and operating effectiveness of such controls - Annexure B.
 - (h) 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 does not have any pending litigations on its financial position in Standalone Ind AS financial statement.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

N.R.Waghchaure & Associates
Chartered Accountants,
FRN : 114999W

Nilkanth R Waghchaure
Proprietor
ICAI Membership No :048890

Place : Solapur
Date : 19th May, 2018



Annexure-A to the Independent Auditor's Report

Referred to in paragraph 1 under the heading of “ Report on other legal and regulatory requirements of our report of even date.”

Smruthi Organics Limited
For the Year Ended March 31st 2018

1. Fixed Assets [Clause 3(I)]:

- a) Proper Records: The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets:
- b) Physical Verification: These fixed assets have been physically verified by the management at reasonable intervals - Not Applicable.
Any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account by the management at regular intervals.
- c) Title Deed: The title deeds of immovable properties are held in the name of the company.

2. Inventory [Clause 3(ii)]:

Physical verification: Physical verification of inventory has been conducted at reasonable intervals by the managements; Valuation of closing stock is taken as certified, valued and verified by the management by the Company

No such material discrepancies were noticed on such verification. And if so, whether the same have properly dealt with in the books of account is not applicable;

3. Loan given by Company [Clause 3(iii)]:

- a) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships(LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- b) Terms and Conditions: The terms and conditions of the grant of such loans are not prejudicial to the company's interest Not Applicable.
- c) Regular Recovery: The schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular; Not Applicable.
- d) Steps for Recovery: If the amount is overdue, state the total amount overdue for more than 90 days, and whether reasonable steps have been taken by the company for recovery of the principal and interest. Not Applicable.

4. Loan to the Directors and investment by Company [Clause3(iv)];

The company has not granted or made any investments, guarantees, and security to the parties covered under section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provided the details thereof. Not Applicable.

5. Deposits[Clause3(v)]:

If the company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder - Not Applicable.



6. Cost Records [Clause 3(vi)]:

The Central Government has specified maintenance of cost records under section 148 (1) of the Companies Act, 2013, and hence such accounts and records have been made and maintained.

7. Statutory Dues [Clause 3(vii)]

Following matters shall be reported for statutory dues and disputes for tax and duties.

- a) Statutory Dues for more than 6 Months: Whether the company is regular in depositing undisputed statutory dues with the appropriate authorities including:
 - i. Provident fund; No Such Dues
 - ii. Employee's state insurance ;No Such Dues
 - iii. Income – tax;No Such Dues
 - iv. Sales- tax;No Such Dues
 - v. Service tax;No Such Dues
 - vi. Duty of customs;No Such Dues
 - vii. Duty of excise;No Such Dues
 - viii. Value Added Tax (VAT);No Such Dues
 - ix. Cess; and No Such Dues
 - x. Any other statutory dues. No Such Dues

If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor. No such dues are pending.

- a) According to the records of the company and as per information and explanation given to me, there are no dues of Sales Tax or Value added tax and Excise which have not been deposited on account of any dispute as on 31.03.2018,

8. Repayment of Loans [Clause 3(viii)]

The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government.

9. Utilization of IPO and further Public offer [Clause 3(ix)]:

The Company has not raised money by way of initial public offer or further public offer and Term Loans where applied for the purposes for which those are raised,

If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported – Not applicable.

10 Reporting of Fraud [Clause(x)]:

No fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

11 Approval of Managerial Remuneration [Clause 3(xi)]:

Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.



12 Nidhi Company [Clause 3 (xii)]:

Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet our the liability; Not Applicable

13 Related Party Transaction [Clause 3 (xiii)]:

All transactions with the related parties are in compliance with sections 177 and 188 Companies Act, 2013. The details of such related party transaction have been disclosed in the Financial Statements as required under Indian Accounting Standard (Ind AS) 24, related party disclosures specified under section 133 of the Act.

14 Private Placement or Preferential Issues [Clause 3(xiv)]:

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly the provisions of Clause 3 (xiv) of the order are not applicable to the company.

15 Non-cash Transactions [Clause 3(xv)]:

The company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly provisions of [Clause 3(xv)] of the order are not applicable to the company.

16 Register under RBI Act 1934 [Clause 3 (xvi)]:

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly provision of Clause 3 (xvi) of the order are not applicable to the company.

Place : Solapur
Date : 19th May, 2018

N.R.Waghchaure & Associates
Chartered Accountants,
FRN : 114999W

Nilkanth R Waghchaure
Proprietor
ICAI Membership No :048890





Annexure - B to the Independent Auditors' Report

Referred to in paragraph 2(g) under the heading of “ 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 have audited the internal financial controls over financial reporting of Smruthi Organics Ltd (“the Company”) as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) 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 judgment, including the assessment of the risks of material misstatement of the standalone 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Solapur
Date : 19th May, 2018

N.R.Waghchaure & Associates
Chartered Accountants,
FRN : 114999W

Nilkanth R Waghchaure
Proprietor
ICAI Membership No :048890





Smruthi Organics Limited

Balance Sheet as at : 31.03.2018

(Figures in rupees)

	Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As on 01.04.2016
I	Assets				
	Non-current assets				
	Property, plant and equipment	1	302715587	297285527	322413358
	Capital work-in-progress	2	5323142	12981152	10861152
	Investment property		0	0	0
	Goodwill		0	0	0
	Intangible assets under development		0	0	0
	Biological assets other than bearer plants		0	0	0
	Financial assets	3	1046179	492616	726687
	- Non-Current investments	4	493100	493100	493100
	- Long-term loans and advances	5	780000	1886530	1766083
	- Trade Receivables	6	0	79352525	239438738
	- Others	7	17232612	19330024	25066864
	Deferred tax assets (Net)		12702604	0	6428006
	Other non-current assets		0	0	0
	Total Non Current Asset : A		340293224	411821474	607193988
	Current assets				
	Inventories	8	210548085	194438139	193477243
	Financial assets				
	- Current investments		0	0	0
	- Trade and other receivables	9	252609317	210756483	192853531
	- Cash and cash equivalents	10	17295976	15708895	15540950
	- Short term loans and advances		0	0	0
	Assets for current tax (net)				
	Other current assets	11	31311659	21744954	22165318
	Non-current assets classified as held for sale				
	Other Non-Current Assets		0	0	0
	Total Current Assets B		511765037	442648472	424037042
	Total Assets		852058261	854469946	1031231030
II	Equity And Liabilities				
	Equity				
	Equity Share capital	12	38154300	38154300	38154300
	Other Equity	13	252455871	284589701	268740497
	- Equity component of other financial instrument				
	- Retained earnings @				
	- Reserves				
	- Reserves representing unrealised gains/ losses				
	- Other reserves				
	Money received against share warrants				
	Others				
	Share application money pending allotment				
	Total Equity		290610171	322744001	306894797
	Non-current liabilities				
	Financial liabilities				
	- Long term borrowings	14	62227535	82133567	126929824
	- Other financial liabilities (Trade Payable)	15	1841879	3738003	1932512
	Long term provisions		0	0	0
	Deferred tax liabilities (Net)	16	0	2005005	0
	Other non-current liabilities	17	21547707	20008149	187860806
	Total Non Current Liabilities		85617121	107884724	316723142



Current liabilities				
Financial liabilities				
- Short term borrowings	18	230149265	187083802	185349911
- Trade and other payables	19	215697300	165083802	149346097
- Other financial liabilities		0	0	0
Other current liabilities	20	29984404	65859437	69596369
Short-term provisions (IT Provision)		0	5814180	3320714
Liabilities for current tax (net)				
Total Current Liabilities		475830969	423841221	407613091
Liabilities associated with group(s) of assets held for disposal				
Total Equity and Liabilities		852058261	854469946	1031231030

The accompanying notes are an integral part of the Financial statements.
As per our audit even date Note 28

N.R.Waghchaure & Associates
Chartered Accountants,
FRN : 114999W

Nilkanth R Waghchaure
Proprietor
ICAI Membership No :048890

For & on behalf of the Board
Smruthi Organics Limited

Eaga Purushotham
Chairman & Managing Director

Eaga Swapnil
Executive Director & CFO



PLACE : Solapur
DATE : 19th May, 2018

Smruthi Organics Limited

Statement of Profit & Loss for the year ended : 31.03.2018

(Figures in rupees)

Sr. No.	Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
I	Income			
	a) Revenue from operations (gross)	21	97,34,15,336	79,35,37,133
	b) Other income	22	20,96,943	97,59,614
	Total Revenue		97,55,12,279	80,32,96,747
II	Expenses			
	a) Cost of materials consumed	23	58,50,57,293	49,12,45,378
	b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	2,26,62,582	(17,07,603)
	c) Employee benefit expenses	25	9,27,13,092	7,94,59,491
	d) Finance costs	26	4,08,71,297	4,37,40,766
	e) Other Expenses	27	24,03,91,149	12,49,65,359
	f) Depreciation and amortization expense	1	4,06,58,305	3,96,59,895
	Total Expenses (2)		1,02,23,53,718	77,73,63,286
III	Profit / (Loss) before Tax		(4,68,41,439)	2,59,33,461
IV	Tax expense			
	(a) Current tax		-	16,51,246
	(b) Mat Credit Entitlement		-	
	(c) Deferred tax		(1,47,07,609)	84,33,011
	Total		(1,47,07,609)	1,00,84,257
V	Profit / (Loss) before Tax		(3,21,33,830)	1,58,49,204
VI	Other Comprehensive Income:			
	a) Items that will not be reclassified to statement of profit or loss:		-	-
	b) Income tax relating to items that will not be reclassified to statement of profit or loss - Foreign Currency Exchange Loss		-	-
	c) Items that will not be reclassified to statement of profit or loss:		-	-
	d) Income tax relating to items that will be reclassified to statement of profit or loss		-	-
VII	Total Comprehensive income for the period		(3,21,33,830)	1,58,49,204
VIII	Earnings per equity share			
	a) Basic		(8.42)	4.15
	b) Diluted		(8.42)	4.15

The accompanying notes are an integral part of the Financial statements. Note 28
As per our audit even date

N.R.Waghchaure & Associates
Chartered Accountants,
FRN : 114999W

For & on behalf of the Board
Smruthi Organics Limited

Nilkanth R Waghchaure
Proprietor
ICAI Membership No :048890

Eaga Purushotham
Chairman & Managing Director

Eaga Swapnil
Executive Director & CFO

PLACE : Solapur
DATE : 19th May, 2018

Cash Flow Statement for the year ended 31.03.2018

Sr.No.	Particulars	Rs.	Rs.
A	CASH FLOW FROM OPERATING ACTIVITIES	31-03-2018	31-03-2017
	Profit before income tax	(4,68,41,439)	2,59,33,461
	Non cash adjustment to reconciled profit before tax to net cash flows	0	0
	Depreciation	4,06,58,305	3,96,59,895
	Misc Expenditure written off	0	0
	Interest Expenditure	4,08,71,297	4,37,40,775
	Interest & etc.	(82,27,591)	(1,05,91,972)
	Operating profit before working capital changes	2,64,60,572	9,87,42,159
	Movements in working capital		
	Increase/(Decrease) in trade payables	5,06,13,498	1,57,37,705
	Increase/(Decrease) in short term provisions	(58,14,180)	24,93,466
	Increase/(Decrease) in other current liabilities	(3,58,75,033)	(37,36,932)
	Increase/(Decrease) in other long term liabilities	15,39,558	(16,78,52,657)
	Decrease/(Increase) in trade receivables	(4,18,52,834)	(1,79,02,952)
	Decrease/(Increase) in inventories	(1,61,09,946)	(9,60,896)
	Decrease/(Increase) in long term loans & advances	8,20,02,904	17,68,14,566
	Decrease/(Increase) in short term loans & advances	(92,03,375)	(56,58,355)
	Decrease/(Increase) in other current assets	0	0
	Decrease/(Increase) in other non-current assets	0	(47,99,170)
	Cash generated from / (used in) operations	5,17,61,165	9,28,76,934
	Direct taxes paid (net of refunds)	(3,63,330)	(11,31,936)
	Net cash flow from / (used in) operating activities (A)	5,13,97,835	9,17,44,998
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchases of Fixed Assets, including intangible assets, CWIP & capital advances	(3,84,30,354)	(1,71,71,377)
	Proceeds of non current investments		
	Increase/(Decrease) in trade payables fixed Assets	(18,96,124)	18,05,491
	Purchase of current investments	0	0
	Investment in bank deposits (having original maturity of more than 3 months)	0	0
	Interest etc.	82,27,591	1,05,91,972
	Net Cash from / (used in) Investing Activities (B)	(3,20,98,887)	(47,73,914)
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from issuance of share capital & preference share capital	0	0
	Proceeds from long term borrowings	0	0
	Repayment of long term borrowing	(1,99,06,032)	(4,47,96,257)
	Proceeds from short term borrowings	4,30,65,463	17,33,891
	Interest Paid	(4,08,71,297)	(4,37,40,775)
	Dividend paid on equity shares	0	0
	Tax on equity dividend paid	0	0
	Net cash flow from / (used in) Financing Activities (C)	(1,77,11,866)	(8,68,03,141)
	Net Increase/(Decrease) in cash & cash equivalents (A) + (B) + (C)	15,87,082	1,67,943
	Cash & Cash equivalents at the beginning of the period	1,57,08,895	1,55,40,952
	Cash & Cash equivalents at the end of the period	1,72,95,977	1,57,08,895

For and on behalf of Board of Directors

Place : Solapur
Date : 19 May, 2018

(Eaga Purushotham)
Managing Director

(Eaga Swapnil)
Executive Director & CFO



b OTHER EQUITY

For The year ended 31 March 2017

Particulars	Reserve & Surplus						Total Equity
	Securities premium	Capital Reserve & Incentive	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	
As at 1st April 2016	2000000	2108600	50233427	214398470	0	0	268740497
Exercise of share options							0
share-based payments							0
Profit for the year				15849204			15849204
Movement in Foreign Currency							0
Reduction In Income Tax Refund				0			0
Remeasurement of the net defined benefit							0
Short Provision				0			0
Movement in cash flow hedge							0
As at 31st March 2017	2000000	2108600	50233427	230247674	0	0	284589701

For The year ended 31 March 2018

Particulars	Reserve & Surplus						Total Equity
	Securities premium	Capital Reserve & Incentive	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	
As at 1st April 2017	2000000	2108600	50233427	230247674	0	0	284589701
Exercise of share options							0
Share-based payments							0
Profit for the year				-32133830			-32133830
Movement in Foreign Currency							0
Transalation Reserve through OCI							0
Remeasurement of the net defined benefit							0
liability/asset, nt of tax effect							0
Movement in cash flow hedge							0
As at 31st March 2018	2000000	2108600	50233427	198113844	0	0	252455871

For and on behalf of Board of Directors

Place : Solapur
Date : 19 May, 2018

(Eaga Purushotham)
Managing Director

(Eaga Swapnil)
Executive Director & CFO



Notes : 12 SHARE CAPITAL

Particulars		As At 31-03-2018 Rs.		As At 31-03-2017 Rs.		As On 01-04-2016 Rs.	
1	AUTHORISED SHARE CAPITAL						
	5000000 Equity Shares of Rs. 10/- each	5,00,00,000		5,00,00,000		5,00,00,000	
	5000000 Non-Convertible Cumulative Redeemable Preference Shares of Rs.10/-each	5,00,00,000	10,00,00,000	5,00,00,000	10,00,00,000	5,00,00,000	10,00,00,000
2	ISSUED, SUBSCRIBED & PAID UP SHARE'S						
	3815430 Equity Shares of Rs. 10/- each fully paid	3,81,54,300		3,81,54,300		3,81,54,300	
	Details of Shareholders holding more than 5% shares in the Company		3,81,54,300		3,81,54,300		3,81,54,300
		No. of Shares	%holding in the class	No. of Shares	%holding in the class	No. of Shares	%holding in the class
1	Mr. Eaga Purushotham	15,29,000	40.07	15,29,000	40.07	15,28,560	40.06
2	Mrs. Eaga Vaishnavi	5,76,475	15.11	5,76,475	15.11	5,76,475	15.11

Notes : 13 OTHER EQUITY

Particulars		As At 31-03-2018	As At 31-03-2017	As On 01-04-2016
1	Securities premium	20,00,000	20,00,000	20,00,000
2	Capital Reserve & Incentive	21,08,600	21,08,600	21,08,600
3	General Reserve	5,02,33,427	5,02,33,427	5,02,33,427
4	Retained Earnings	19,81,13,844	23,02,47,674	21,43,98,470
5	Cash Flow Hedge Reserve	0	0	0
6	Foreign Currency Translation Reserve	0	0	0
TOTAL		25,24,55,871	28,45,89,701	26,87,40,497

Notes : 14 LONG - TERM BORROWINGS

Particulars		As At 31-03-2018 Rs.	As At 31-03-2017 Rs.	As On 01-04-2016 Rs.
1	Axis Bank Term Loan *	-	-	3,56,42,557
2	Deferral Sales Tax Loan PSI 1993 Scheme *	-	-	26,06,938
3	Deferral Sales Tax Loan PSI 1993 Expansion **	1,76,19,299	2,44,85,337	2,95,13,904
4	SBI - IFB - WCTL A/c	3,12,03,176	4,41,78,200	5,90,38,274
5	Unsecured Loans - Directors	1,34,05,060	1,34,70,030	-
6	Axis Bank Ltd.- Car Loan			1,28,151
TOTAL		6,22,27,535	8,21,33,567	12,69,29,824

*1st mortgage / hypothecation charge of State Bank of India, IFB Mumbai on Land & building and Plant and Machinery owned by the company situated at Plot No.273 & 274 MIDC, Akkalkot Road, Solapur 413006 & Plot No.A-27, MIDC Chinholi, Solapur- 413 255, Flat No 5, Rahul Neha Apt. Solapur, Flat No T/1, Balaji Apt. Solapur, Holiday Resaurt at Plot No 31, Nakoda Constr. at village. Pakani Solapur, N.A. Plots GAT No. 230/2/B/2, 233/2/B, 231/2/B, 230/2/A/2 situated at Village Chinholi, Taluka Mohol, Dist. Solapur. Additional collateral Security of Mumbai Flat and eight Flats located at Solapur in the name of Company and one flat in the name of Mr. E. Purushotham, Managing Director of the Company in favour of State bank of India. State Bank of India has restructure the account and sanctioned Rs. 6.00 Crores Working Capital Term Loan repayable from Apr 2016 to Mar 2020 by various installments.

*Personal guarantee of Mr E Purushotham, Managing Director and Mrs. E Vaishnavi Director.

**Deferred Sales Tax Loan is interest free and payable in yearly in 5 installment of each financial year after completion of 10 years and the final installment will due on 26.04.2022



Notes : 15 OTHER FINANCIAL LIABILITIES (TRADE PAYABLE)

	Particulars	As At 31-03-2018 Rs.	As At 31-03-2017 Rs.	As On 01-04-2016 Rs.
1	Non Current Other Financial Liabilities	18,41,879	37,38,003	19,32,512
2	Non Current Provision	0	0	0
3	Other Non Current Liabilities (Dues Payable of Government)	0	0	0
	TOTAL	18,41,879	37,38,003	19,32,512

Notes : 16 DEFERRED TAX LIABILITY / (DEFERRED TAX ASSETS) -

	Particulars	As At 31-03-2018 Rs.	As At 31-03-2017 Rs.	As On 01-04-2016 Rs.
1	Opening Balance	20,05,005	(64,28,006)	(1,45,94,446)
2	Less:C.Y. Excess DTA over DTL	(147,07,609)	84,33,011	81,66,440
		-	-	-
	TOTAL	(1,27,02,604)	20,05,005	(64,28,006)

Notes : 17 OTHER NON CURRENT LIABILITIES

	Particulars	As At 31-03-2018 Rs.	As At 31-03-2017 Rs.	As on 01-04-2016 Rs.
1	Gratuity Payable	2,15,47,707	2,00,08,149	2,08,25,178
2	Sundry Creditors (More than -1 year)	-	-	16,70,35,628
	TOTAL	2,15,47,707	2,00,08,149	18,78,60,806

Notes : 18 SHORT - TERM BORROWINGS

	Particulars	As At 31-03-2018 Rs.	As At 31-03-2017 Rs.	As on 01-04-2016 Rs.
1	Loans Repayable on Demand			
	- From Bankers	23,01,49,265	18,70,83,802	17,18,79,881
	- From Other Parties	-	-	-
2	Loans From Related Parties	0		1,34,70,030
3	Deposit	0		
4	Others	0		
	TOTAL	23,01,49,265	18,70,83,802	18,53,49,911

*1st mortgage / hypothecation charge of State Bank of India, IFB Mumbai on Land & building and Plant and Machinery owned by the company situated at Plot No.273 & 274 MIDC, Akkalkot Road, Solapur 413006 & Plot No.A-27, MIDC Chincholi, Solapur- 413 255. Flat No 5, Rahul Neha Apt. Solapur, Flat No T/1, Balaji Apt. Solapur, Holiday Resaurt at Plot No 31, Nakoda Constr. at village. Pakani Solapur, N.A. Plots GAT No. 230/2/B/2, 233/2/B, 231/2/B, 230/2/A/2 situated at Village Chincholi, Taluka Mohol, Dist. Solapur. Additional collateral Security of Mumbai Flat and eight Flats located at Solapur in the name of Company and one flat in the name of Mr. E. Purushotham, Managing Director of the Company in favour of State bank of India. State Bank of India has restructure the account and sanctioned Rs. 6.00 Crores Working Capital Term Loan repayable from Apr 2016 to Mar 2020 by various installments.

*Personal guarantee of Mr E Purushotham, Managing Director and Mrs. E Vaishnavi Director.



Notes : 19 TRADE AND TRADE PAYBLES

	Particulars	As At 31-03-2018 Rs.		As At 31-03-2017 Rs.		As On 01-04-2016 Rs.	
1	Sundry Creditors	21,56,97,300		16,50,83,802		14,93,46,097	
2	Sundry Creditors (Small Scale Undertaking)	-		-		-	
	TOTAL		21,56,97,300		16,50,83,802		14,93,46,097

Notes : 20 OTHER CURRENT LIABILITIES

	Particulars	As At 31-03-2018		As At 31-03-2017		As On 01-04-2016	
1	Revenue Received in Advance						
	Other Statutory Liabilities (VAT, TDS, PF, etc)	29,48,385		33,52,357		33,02,754	
			29,48,385		33,52,357		33,02,754
2	Other						
1)	Salary & Wages Payable	44,57,536		41,68,967		39,42,261	
2)	Audit & Consultancy Fees Payable	3,44,774		3,47,400		3,47,400	
3)	Interest Payable (CC)	-		-		-	
4)	Local Body Tax (LBT) - Payable	-		-		-	
5)	Unpaid Dividend - Axis Bank	3,67,616		4,92,617		6,10,048	
6)	Defferal Sales Tax Repayment within one year (old)	-		-		47,26,699	
7)	Defferal Sales Tax Repayment within one year (new)	68,66,093		74,23,969		36,13,935	
8)	F.C.Term Loan Instal. Repay. within one year (1575 lakhs)	-		2,06,13,769		3,59,53,272	
9)	Term Loan Instal. Repay. within one year (350 lakhs)	-		1,44,60,358		1,53,00,000	
10)	WCTL Install Repay within one year (600 lakhs)	150,00,000		1,50,00,000		18,00,000	
			2,70,36,019		6,25,07,080		6,62,93,615
	TOTAL		2,99,84,404		6,58,59,437		6,95,96,369

Notes : 3 NON CURRENT - FINANCIAL ASSETS

	Particulars	As At 31-03-2018 Rs.		As At 31-03-2017 Rs.		As On 01-04-2016 Rs.	
1	Earmared Balances with Banks (Unpaid Dividend)	3,71,179		4,92,616		7,26,687	
2	Balance with banks to the extent held as margin money against bank Guarantee with MPCB etc	6,75,000		0		0	
	TOTAL		10,46,179		4,92,616		7,26,687

Notes : 4 NON CURRENT INVESTMENTS

	Particulars	As At 31-03-2018 Rs.		As At 31-03-2017 Rs.		As On 01-04-2016 Rs.	
1	49,310 equity shares of Rs. 10/- each fully paid up in Greenfield CET Plant Pvt. Ltd. Solapur	4,93,100		4,93,100		4,93,100	
	TOTAL		4,93,100		4,93,100		4,93,100



Notes : 5 LONG TERM LOANS & ADVANCES

	Particulars	As At 31-03-2018 Rs.		As At 31-03-2017 Rs.		As On 01-04-2016 Rs.	
1	Advance against Capital Goods	7,80,000		18,86,530		17,66,083	
2	Sundry Debtors (More than 1 year) Less : Debtors Advance more than one year						
	TOTAL		7,80,000		18,86,530		17,66,083

Notes : 6 NON-CURRENT RECEIVABLE

	Particulars	As At 31-03-2018 Rs.		As At 31-03-2017 Rs.		As On 01-04-2016 Rs.	
1	Secured- Considered Good						
2	Unsecured- Considered Good			7,93,52,525		23,94,38,738	
3	Bad	7,97,03,285		0		0	
	Total	7,97,03,285		7,93,52,525		23,94,38,738	
	Less: Bad	-7,97,03,285		0		0	
	Net Total		0		7,93,52,525		23,94,38,738

Notes : 7 OTHERS

	Particulars	As At 31-03-2018		As At 31-03-2017		As On 01-04-2016	
1	Loans shall be Classified as						
2	a) Security Deposit						
	b) Loan To Related Parties						
	c) Other Loan (Fixed Assets advance)	0	0	0		0	
	Above Loans are sub-classified as						
	Secured- Considered Good	0		0		0	
	Unsecured- Considered Good						
	All Business Deposits	64,09,257		6332673		6026437	
	VAT, Sales Tax Income Tax Refunds	30,82,185		5256181		16098427	
	MAT Credit Entitlement (2015-16)	29,42,000		29,42,000		29,42,000	
	MAT Credit Entitlement (2016-17)	47,99,170		47,99,170		-	
	Total	1,72,32,612		1,93,30,024		25066864	
	Doubtful	0		0		0	
	Total	1,72,32,612		1,93,30,024		25066864	
	Less: Doubtful	0					
	Net Total		1,72,32,612		1,93,30,024		2,50,66,864

Notes : 8 INVENTORIES

	Particulars	As At 31-03-2018		As At 31-03-2017		As On 01-04-2016	
1	Inventories - (at cost except otherwise stated & as as certified by Board of Director)						
1)	Raw Materials and Spares (at cost)	7,02,90,133		3,19,30,858		3,33,03,477	
2)	Packing Materials (at cost)	25,14,841		21,01,588		14,75,676	
3)	Work in Process (at cost)	9,61,02,188		9,97,35,895		10,86,26,224	
4)	Finished Goods (at lower of cost and net realisable value)	4,16,40,923		5,98,48,959		4,92,51,027	
5)	Finished Goods In Transit (at lower of cost and net realisable value)	-		8,20,839		8,20,839	
	TOTAL		21,05,48,085		19,44,38,139		19,34,77,243



Notes : 9 CURRENT TRADE RECEIVABLE

	Particulars	As At 31-03-2018 Rs.		As At 31-03-2017 Rs.		As on 01-04-2016 Rs.	
1	Secured- Considered Good						
2	Unsecured- Considered Good	25,26,09,317		21,07,56,483		1928,53,531	
3	Doudtful						
	Total	25,26,09,317		21,07,56,483		1928,53,531	
	Less: Doudful	-					
	Net Total		25,26,09,317		21,07,56,483		19,28,53,531

Notes : 10 CASH & BANK BALANCES

	Particulars	As At 31-03-2018 Rs.		As At 31-03-2017 Rs.		As on 01-04-2016 Rs.	
	Cash and cash equivalents						
1	Cash in hand	1,23,290		1,37,613		7,57,704	
	Balances with banks	-		-		-	
1	Bank Balances (EEFC, SBI Khadki, ICICI etc.)	6,80,389		4,86,755		10,49,106	
2	Demand Deposits with SBI	164,92,297		150,84,527		137,34,140	
	Total		1,72,95,976		1,57,08,895		1,55,40,950

Notes : 11 OTHER CURRENT ASSETS

	Particulars	As At 31-03-2018		As At 31-03-2017		As On 01-04-2016	
1	(Unsecured Considered Good)						
	Advances recoverable in cash or in kind or for value to be received						
1	Staff & Other Advances	4,64,713		4,06,930		4,42,174	
2	Pre-Paid Insurance	3,20,271		9,67,989		10,27,263	
3	Pre-Paid Custom Duty	5,66,094		2,32,002		-	
4	Excise Duty (Modvat)	47,752		57,74,618		58,05,633	
5	Excise Duty (EOU)	-		95,851		95,851	
6	INPUT SGST CGST IGST	60,60,638		-		-	
7	CST Refund Claim (EOU)	-		-		-	
8	Interest Accrued but not due	5,64,214		5,11,592		5,01,840	
9	Excise duty on export refund	-		64,11,057		50,01,622	
10	Pre-Paid Interest	-		9,03,503		4,24,662	
11	Export Incentive on FMS Receivable	48,02,020		36,05,343		42,04,080	
12	Service Tax	-		10,09,946		17,12,322	
13	GST ON EXPORT REFUNDABLE	154,69,002		-		-	
14	Advance Income Tax & TDS	3,63,330		1,49,374		-	
15	Duty Draw Back Incentive Receivable	16,41,658		6,82,924		21,51,094	
16	Pre-Paid Exo (Fees & Forms, Bank charges etc.)	10,11,967		9,93,825		7,98,777	
	Total		3,13,11,659		2,17,44,954		2,21,65,318

Note '1' Fixed Assets Forming Part of Balance Sheet As on 31st March 2018

Property, Plant and Equipment

Amount in Rs.

PARTICULARS	NET BLOCK				DEPRECIATION PROVIDED			NET BLOCK
	Cost As On 01.04.2017	Addition During The Year 2017-18	Disposal /Adjustment	As On 31.03.2018 (2+3-4)	For The Year 2017-18	Disposal /Adjustment	Upto 31.03.2018 (6-7)	As On 31.03.2018 (5-8)
1	2	3	4	5	6	7	8	9
Factory Land	2700252	0	0	2700252	17640	0	17640	2682612
Agricultural Land	587094	0	0	587094	0	0	0	587094
Building	62084759	9438822	0	71523581	6804952	0	6804952	64718629
Ownership Flats	2434570	0	0	2434570	231367	0	231367	2203203
Plant & Machinery	198537273	29885056	0	228422329	27878938	0	27878938	200543391
Electrical Installation/Equip.	9413794	1008293	0	10422087	1266416	0	1266416	9155671
Vehicles	1241577	4904	0	1246481	168296	0	168296	1078185
Office Equipments	178236	54571	0	232807	45736	0	45736	187071
Computer	417790	763617	0	1181407	554586	0	554586	626821
Furniture & Fixture	1260005	110099	0	1370104	253995	0	253995	1116109
Laboratory Equipments	2747712	4504746	0	7252458	1734643	0	1734643	5517815
Other Factory Equipments	6365735	544984	0	6910719	843793	0	843793	6066926
TOTAL = A	287968799	46315092	0	334283891	39800362	0	39800362	294483529
B) i) Research & Devp.Equip.	7833414	13770	0	7847184	957476	0	957476	6889708
ii) Research & Devp. G. Block	1483315	0	0	1483315	140965	0	140965	1342350
TOTAL = B	9316729	13770	0	9330499	1098441	0	1098441	8232058
Grand Total	297285528	46328862			40898803	0		302715587
Note 2 Capital Work in Progress								
Building Constructions - Boiler	3320512	0	3320512	0	0	0	0	0
Plant & Machinery - Boiler	6216824	0	4337498	1879326	0	0	0	1879326
Plant & Machinery - Chilling Plant	3443816	0	0	3443816	0	0	0	3443816
Total = C	12981152	0	7658010	5323142	0	0	0	5323142
Total (A+B+C)	310266680	46328862	7658010	348937532	40898803	0	40898803	308038729





Notes : 21 REVENUE FROM OPERATIONS

Particulars		As At 31-03-2018 (Rs.)		As At 31-03-2017 (Rs.)	
1	Income from Operations				
1	Sales (Incl. Excise) Bulk Drugs & Drug Intermediates	9656,55,427		83,71,24,606	
2	Less : Excise Duty	60,33,736		5,83,69,503	
			95,96,21,691		77,87,55,103
2	Other Operating Income - Export Incentives				
1	Compensation - Export Debtors	-		38,64,288	
2	Duty Draw Back	61,30,648		39,17,485	
3	Export Incentive on Focus Marketing Scheme (FMS)	76,62,997	1,37,93,645	70,00,257	1,47,82,030
	TOTAL		97,34,15,336		79,35,37,133

Notes : 22 OTHER INCOME

Particulars		As At 31-03-2018 (Rs.)		As At 31-03-2017 (Rs.)	
1	Interest on TDR (Bank Deposits)	10,90,151		10,72,348	
2	Rate difference in Foreign Currency	-		-	
3	Insurance Claim Received	92,000		2,262	
4	Interest from Others	5,98,498		17,35,589	
5	MSEB Discount	3,16,294		-	
6	Debtors (Old advances)	-		69,49,415	
			20,96,943		97,59,614
	TOTAL		20,96,943		97,59,614

Notes : 23 COST OF MATERIAL CONSUMED

Particulars		As At 31-03-2018 (Rs.)		As At 31-03-2017 (Rs.)	
1	Op.Stock of Stores Raw material	258,07,361		2,94,86,535	
2	Add : Purchases	0			
3	Purchase of Packing material	234,50,541		2,09,52,969	
4	Purchase of Raw material	5514,86,629		43,08,17,011	
5	Custom Duty	1,77,76,882		1,55,21,193	
6	Freight Inward	1,72,82,550		1,45,94,241	
7	Job Work Charges	1,58,06,400		56,80,790	
8	Less Closing Stock of Stores Raw material	-6,65,53,070		-2,58,07,361	
	TOTAL		58,50,57,293		49,12,45,378



Notes : 24

CHANGES IN INVENTORIES OF FINISHED GOODS WORK IN PROCESS AND STOCK IN TRADE

Particulars		As At 31-03-2018 (Rs.)		As At 31-03-2017 (Rs.)	
1	Inventory Change				
a)	Add : Opening Stock				
1	Work in Process (Bulk Drugs & Drug Intermediates)	9,97,35,895		10,86,26,224	
2	Finished Goods (Bulk Drugs & Drug Intermediates)	6,06,69,798	16,04,05,693	5,00,71,866	15,86,98,090
b)	Less : Closing Stock				
1	Work in Process (Bulk Drugs & Drug Intermediates)	- 9,61,02,188		-9,97,35,895	
2	Finished Goods (Bulk Drugs & Drug Intermediates)	- 4,16,40,923	-13,77,43,111	-6,06,69,798	-16,04,05,693
	TOTAL		2,26,62,582		-17,07,603

Notes : 25 **EMPLOYEE'S BENEFIT EXPENSES**

Particulars		As At 31-03-2018 (Rs.)		As At 31-03-2017 (Rs.)	
1	Salary Wages and Including Bonus	8,60,20,405		7,34,14,479	
2	Contribution to P.F. and other funds	47,48,911		46,61,808	
3	Staff Welfare expenses	19,43,776		13,83,204	
	TOTAL		9,27,13,092		7,94,59,491

Notes : 26 **FINANCE COST**

Particulars		As At 31-03-2018 (Rs.)		As At 31-03-2017 (Rs.)	
1	Interest on Term Loan	12,69,179		62,78,678	
2	Interest on Cash Credit	2,35,57,843		2,20,78,696	
3	Interest On WCTL	72,97,101		86,59,146	
4	Interest to others	27,35,219		18,26,151	
5	Bank Commission & Charges	60,11,955		48,98,095	
	TOTAL		4,08,71,297		4,37,40,766

Notes : 27 **OTHER EXPENSES**

Particulars		As At 31-03-2018 (Rs.)		As At 31-03-2017 (Rs.)	
1	Power and Fuel	967,04,608		8,35,63,196	
2	Stores and Consumables	107,55,293		51,08,123	
3	Laboratory Expenses	58,06,063		34,09,854	
4	Sales Commission & Promotion	107,11,399		64,87,901	
5	Travailing & Conveyance	56,55,390		42,88,485	
6	Research & Development Exp	1,40,051		3,44,786	
7	Bad Debts Written Off	797,03,285		-	
8	Other Expenses	309,15,060		2,17,63,014	
	TOTAL		24,03,91,149		12,49,65,359



Note No: 28

Notes To the Standalone Financial Statement

as on 31.03.2018

1. Background:

Smruthi Organics Limited (the company') is a company limited by shares, incorporated and domiciled in India. The company is engaged in the manufacture of Active Pharmaceutical ingredients (API's) i.e. Bulk Drugs and Drug Intermediates.

2. Significant accounting policies

System of Accounting:

First-time adoption of Ind AS Pursuant to the Companies (India Accounting Standard) Rules, 2015,

The Company has adopted 31st March 2018 as reporting date for first time adoption of India Accounting Standard (Ind AS) and consequently 1st April 2015 as the transition date for preparation of financial statements. The financial statements for the year ended 31st March 2018, are the first financials, prepared in accordance with Ind AS. Upto the Financial year ended 31st March 2017, the Group prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Previous GAAP).

For preparing these financial statements, opening balance sheet was prepared as at 1st April 2016 i.e., the date of transition to Ind AS. The figures for the previous periods and for the year ended 31st March 2017 have been restated, regrouped and reclassified, wherever required to comply with Ind AS and Schedule III to the Companies Act 2013 and to make them comparable.

This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with Previous GAAP, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

Exemptions:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.

On transition to Ind AS, the group has applied the following exemptions:

1. Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.
2. Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.
3. Ind AS 102 Share based payment has not been applied to equity instruments in share based



ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities that are measured at fair value; (refer accounting policy regarding financial instruments)
- Defined benefit plans – plan assets measured at fair value

iii Current and non-current classification

An asset is classified as current if:

- i It is expected to be realized or sold or consumed in the Company's normal operating cycle;
- ii It is held primarily for the purpose of trading;
- iii It is expected to be realized within twelve months after the reporting period; or
- iv It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A Liability is classified as current if:

- i It is expected to be settled in normal operating cycle;
- ii It is held primarily for the purpose of trading;
- iii It is expected to be settled within twelve months after the reporting period;
- iv It has no unconditional right to defer the settlement of the liability for at least twelve months after reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities

2.2 Segment Reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The chairman and Managing Director has been identified as being the Chief Operating Decision Maker.

The Segment results are as under (Rs. in Lakhs)

Sr.No.	Particulars	Total
1	Gross revenue	9755
2	Segment expenses	10223
3	Profit before interest, depreciation and tax	347
4	Segment Profit/Loss (-) before tax	(468)
5	Tax Expenses (DTA)	147
6	Profit /Loss (-) after tax	(321)



2.3 Foreign Currency Transactions:

i. Functional and presentation currency

Item included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') The financial statements are presented in Indian rupee (₹), which is Smruthi Organics functional and presentation currency.

ii Transactions and balances

Foreign Exchange Transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary liabilities denominated in foreign currencies at year end exchange rate are generally recognized in statement of profit and loss.

Non-monetary items that are measured in items of historical cost in a foreign currency, using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation difference on liabilities carried at fair value are reported as part of the fair value gain or loss.

2.4 Revenue recognition :

i) Revenue from Sale of Goods

Revenue from Sale of Goods is recognized when all the significant risk and rewards of ownership have been transferred to the buyer, revenue can be measured reliably, the costs incurred can be measured reliably, it is probable that the economic benefits associated to the transaction will flow to the entity and there is no continuing management involvement with the goods. Transfer or risks and rewards vary depending on the individual terms of contract of sale. Revenue from sale of goods is stated inclusive of excise duty and net of returns, trade allowances, rebates, sales tax, GST and amounts collected on behalf of third parties.

ii) Interest Incomes:

For all financial instruments measured at amortized cost, interest income is recognized using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial asset. Interest income is included in Other Income in the Statement of Profit and Loss.

2.5 Income Taxes:

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

The current income tax charge is not calculated as the company is in operating loss.

Income Tax is computed after adjustments of Other Comprehensive income (Foreign Exchange fluctuation amount).

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



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

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary difference between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

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

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

Deferred Tax Assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly MAT is recognized as deferent tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future entomic benefit associated with the asset will be realized.

2.6 Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss will be recognized for the amounts by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash- generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.7 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term , highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowing in current liabilities in the balance sheet.

2.8 Trade receivables:

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

During the year, the company has written off as bad of Rs. 79703285 to the Profit and Loss account.



2.9 Inventories:

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials and stores comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials labour and an appropriate preparation of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated costs of completion and the estimated necessary to make the sale. Items held for use in production of inventory are not written below cost if the finished product in which there will be incorporated are expected to be sold at or above cost.

2.10 Investments and other financial assets.

i) Classification :

The company classifies its financial assets in the following measurements categories:

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

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

For assets measured at fair values, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instrument, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement :

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

iii) Impairment of financial assets

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

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognized amount and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on further events and must be enforceable in the normal courses of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.



2.12 Property, Plant and Equipment

Property, Plant and Equipment Leasehold land is carried at historical costs. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date the asset is ready for its intended use and excludes cenvat / value added tax eligible for credit / setoff.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the same are depreciated separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest. All identifiable Revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work-in-Progress. Capital expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciation for Company

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Property, plant and equipment is provided on written down value method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Building constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold lands are amortised over the primary lease period of the lands. The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

During the year, the PPE is reduced from Gross amount of Rs. 240498 as materials received are not in as per specification and rejected and debited to the respective accounts by the company.

2.13 Trade and Other Payables:

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



2.14 Borrowings:

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In the case the fee is deferred until the draw down occurs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.15 Provision

Provision are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expenses. Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in app

2.16 Employee benefits:

- **Short-terms obligations**

Liabilities for wages and salaries, bonus, ex-gratia etc. that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

- **Other Long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are to be measured as the present value of expected future payments to be made in respect of service provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms related obligations.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

The company has not measured the details of earned leave for the year.

Defined benefit liability and employer contributions:

The company has purchased insurance policy to provide for payment of gratuity to the employees. For the year the insurance company carries out a funding valuation based on the latest employee data provided by the company. Balance fund of gratuity is to be payable by the company for Nil further payment obligations. The company has to provide actuarial amount of gratuity fund.

The provision for Leave encashment is to be provided for the year Indian Accounting Standard subject to this loss changes.



- **Post-employment obligations:**

The company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity and;
- b) Defined contribution plans such as provident fund

Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

2.17 Dividend: During the year, the company has not declared the dividend on its shares.

2.18 Contribution to Equity :

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.19 Earnings per share:

1. Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

2. Diluted earnings per share

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

- The after 'income Tax' effect of interest and other financing costs associated with dilutive potential equity shares, and

The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

2.20 Excise Duty and GST:

Excise duty collected on sales is included in Gross Sales. Excise duty paid/payable on sales is shown as an item of expense. Value of closing stock of finished goods include excise duty paid/payable on such stock wherever applicable.

GST collected on sales is excluded in Gross Sales. . Value of closing stock of finished goods include GST paid/payable on such stock wherever applicable.

1.21 Research and Development :

Revenue Expenditure on research and development is expensed in the period in which it is incurred. Capital expenditure on research and development is shown as additional fixed assets.



Expenditure details on R&D for 2017-18 and 2016-17 (Rs. In lakhs)

Particulars	2017-18	2016-17
a) Capital	--	--
b) Recurring	33.43	48.04
Total Rs.	33.43	48.04
Total R&D Expenditure as a Percentage of total turnover: :	0.34%	0.62%

2.22 During the year, the company has paid to BSE Ltd of Rs. 28,75,000 for initial listing fees and other necessary and other necessary charges and same is debited to Profit And Loss account .

2.23 Additional Information pertaining to Statement of Profit and Loss:-

Sr. No.	Nature of Income / Expenses	Current Year		Previous Year	
		Amount In Foreign Currency (USD)	Amount In (INR)	Amount In Foreign Currency (USD)	Amount In (INR)
1	Export Earing	6405694	417202839	4247961	276117460
2	Sales Commission	46857	3051788	40353	2622938
3	Travelling Expenses	2039	132831	0	0
4	Raw Material	3426339	223157490	2869903	186543712

2.24 Related Party Transactions:

Name of the related party	Relationship	Nature of Transaction	Transaction value in Rs.	Balance O/S - Receivable/ (-) Payable as on Balance sheet date	Amount written off/back
Smruthi Chemicals & Intermediates (Proprietor Mrs. E. Vaishnavi)	Director in Company and wife of Managing Director	Job work done by SC & I	7491900	NIL	NIL
		Job work done by SOL	262668	NIL	NIL
		Raw Material Purchase (High seas/ Local from SOL)	441752	NIL	NIL
		Packing Material Purchase (High seas/ Local from SC&I)	18692	NIL	NIL
		Interest paid on Unsecured Loan	441025	NIL	NIL
Mr. Eaga Swapnil	Director of the Company and Son of Managing Director	Car Rent paid	492000	NIL	NIL
Mr. E. Purushotham	Managing Director of the Company	Unsecured Loan Interest Paid	1436565	NIL	NIL



2.25 Contingent Liability and Commitments:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate possible;
- A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

2.26 Critical estimates and Judgments:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Managements also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of item which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statement.

The areas involving critical estimates or judgments are :

- I. Estimation of current expense and payable
- II. Estimation of defined benefit obligations
- III. Allowance for uncollected accounts receivable and advances-Trade receivable do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrevocable amounts. Individual trade receivable are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

2.27 Corporate Social Responsibility (CSR) Expenditure

The Company has incurred a total expenditure of Rs 476467 during the year under audit.

2.28 Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risk, the most significant of which are detailed below ;

Interest rate risk : The plan exposes the Company to the risk of change in interest rate of the borrowings

Salary Escalation Risk: The present value of the defined benefit is not calculated with the assumption of salary increase rate of plan participants in future.

Demographic Risk : The Company has to use certain mortality and attrition in assumption in valuation of the liability. The company is exposed to the risk of actual experience turning out to be worse compared to the assumption.



Asset Liability Mismatching or Market Risk :

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and purchases from overseas suppliers in various foreign currencies. Market Risk is the risk that changes in market prices such as foreign exchange rates will effect groups income or value of its holding financial assets / instruments.

Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operation and financial assets includes trade receivables and other receivables etc. that arise from its operations

Credit Risk

Credit risk refers to the risk of default on its obligation by the customer / counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is carrying value of respective financial assets. Trade receivables and unbilled revenue are typical unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in normal course of business. On account of adoption of Ind AS 109 the Company uses expected credit loss model to assess the impairment loss or gain.

Liquidity Risk

The Company's principle sources of liquidity are cash and cash equivalents, current investments and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding.

N.R.Waghchaure & Associates
Chartered Accountants,
FRN : 114999W

Nilkanth R Waghchaure
Proprietor
ICAI Membership No :048890

For & on behalf of the Board
Smruthi Organics Limited

(Eaga Purushotham)
MANAGING DIRECTOR

(Eaga Swapnil)
EXECUTIVE DIRECTOR & CFO

Place : Solapur
Date : 19th May, 2018



Smruthi Organics Limited

(CIN: L24119PN1989PLC052562)

Regd. Office: 165 A, BALAJI BHAVAN RAILWAY LINES, SOLAPUR, MAHARASHTRA
Phone: 0217 231 0267 Fax: ++91 217 231 0268 Website: www.smruthiorganics.com

ATTENDANCE SLIP

Name and Address of the Registered Member	:	
Folio No./DP ID No./ Client ID No.	:	
No. of Shares	:	

I hereby record my presence at the 29th Annual General Meeting of the Company to be held at Hotel City Park, (Shamiyana Hall), 119, Murarji Peth, Opp. Hutatma Chowk, Solapur 413 001, on Saturday 11th August 2018, at 12.30 p.m.

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

Electronic Voting Sequence Number (EVSN)	USER ID	Password

Note: Person attending the Meeting should bring this Attendance Slip and Annual Report with him/her.

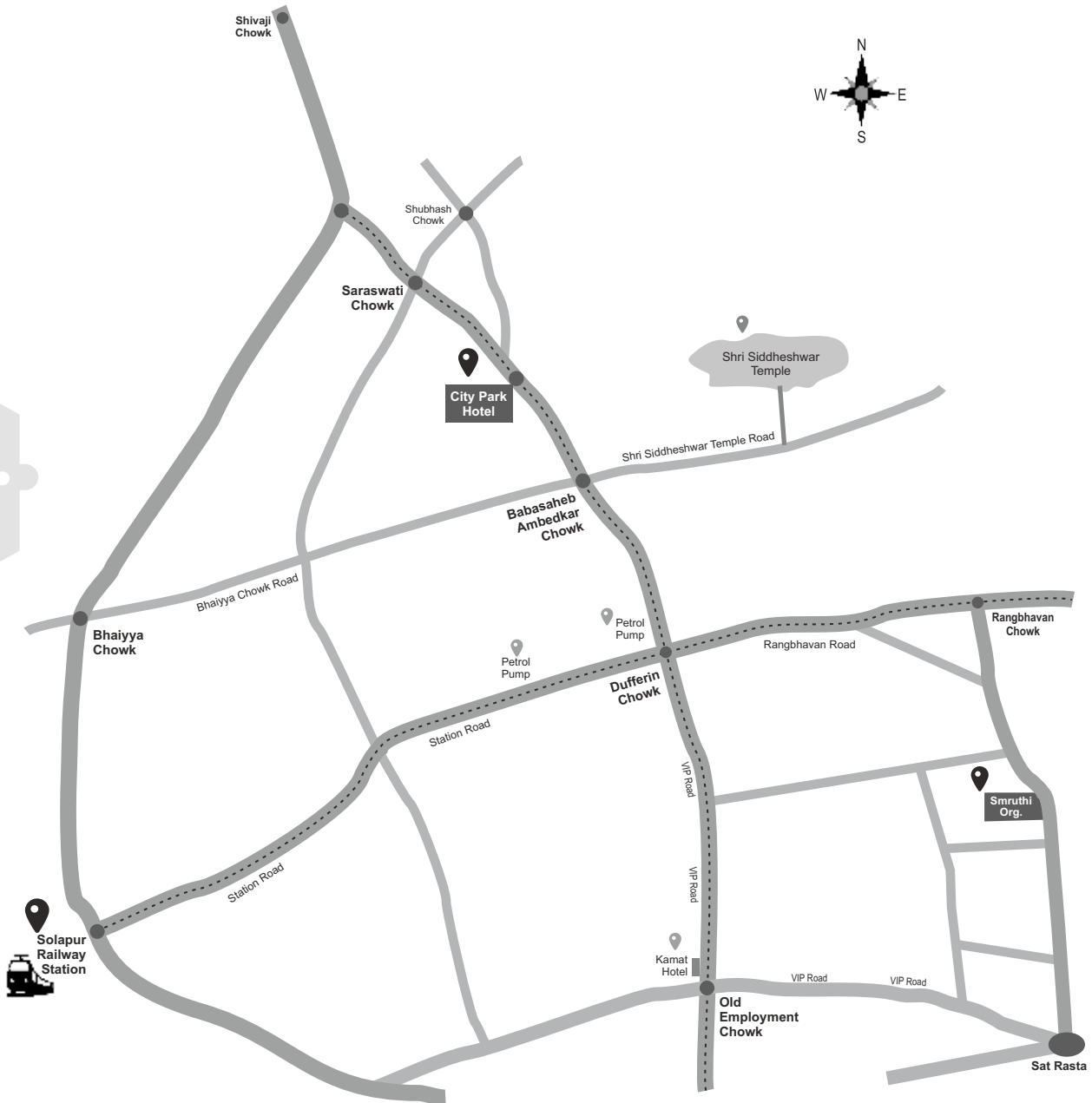


Route Map - Venue of 29th Annual General Meeting

Hotel City Park

(Shamiyana Hall), 119, Murarji Peth, Opp. Hutatma Chowk, Solapur 413 001

Nearest Landmark : Hutatma Chowk





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PROXY FORM

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

CIN	L24119PN1989PLC052562
Name of the Company	Smruthi Organics Limited
Registered Office	165 A, BALAJI BHAVAN RAILWAY LINES, SOLAPUR, MAHARASHTRA
Name of the Member (s)	
Registered Address	
Email ID	
Folio No. /DP ID- Client ID	

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

Name : _____ Email : _____

Address : _____

_____ Signature _____ or failing him / her _____

Name : _____ Email : _____

Address : _____

_____ Signature _____ or failing him / her _____

Name : _____ Email : _____

Address : _____

_____ Signature _____ or failing him / her _____

As my/our proxy to attend and vote (on a poll) for me/our behalf at the 29th Annual General Meeting of the Company to be held at Hotel City Park, (Shamiyana Hall), 119, Murarji Peth, Opp. Hutatma Chowk, Solapur 413 001, on Saturday 11th August 2018, at 12.30 p.m. and at any adjournment thereof in respect of the following resolutions:



Resolution number	Resolutions	Vote		
		Please mention no. of shares		
		For	Against	Abstain
ORDINARY BUSINESS				
1	To consider and adopt Audited Financial Statements, and Reports of Directors and Auditors and Cash Flow Statement for the year ended 31st March, 2018. (Ordinary Resolution)			
2	Appointment of Mrs. E. Swapnil (DIN 01241535) who retires by rotation and being eligible offers himself for re-appointment. (Ordinary Resolution)			
SPECIAL BUSINESS				
3	To appoint Shriniwas Diddi & Associates as Cost Auditor for 2018-2019 (Ordinary Resolution)			
4	To adopt new set of Articles of Association of the Company (Special Resolution) .			

** Each Share Shall have one vote.

Signed this _____ day of _____ 2018

Affix
Revenue
Stamp

Signature of the of the
Member(s)

Signature of the of the
proxy/ holder(s)

Notes:

1. This form, in order to be effective be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

PRINTED MATTER / BOOK-POST

If undelivered please return to :



Smruthi Organics Limited

Head Office : 165-A, 'Balaji Bhavan' 1st Floor, Railway Lines, Solapur - 413 001-INDIA
Phones : 0091-217-2310267, 2310367 Fax No. : 0091-217-2310268
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