

*Orosil* smiths  
india limited

*a multi dimensional jewellery solutions company*

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25th Annual General Meeting

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2018 - 2019

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*Stunningly yours*



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PRECIOUSLY-YOURS

# OROSIL SMITHS INDIA LIMITED

## 25<sup>TH</sup> ANNUAL REPORT

**Monday, 30<sup>TH</sup> September 2019(11.00 A.M.)**

**YWCA OF DELHI, ASHOKA ROAD, NEW DELHI-110001**

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**BOARD OF DIRECTORS:**

Mr. Bhushan Kumar Narula  
Ms. Rita Narula  
Ms. Bhavana Sampath Kumar  
Mr. Vineet Aggarwal  
Mr. Karan Suri

Managing Director (Chairman)  
Whole Time Director  
Non- Executive Independent Director  
Non- Executive Independent Director  
Non-Executive Director

**KEY MANAGERIAL PERSONNEL:**

Mr. Bhushan Kumar Narula  
Ms. Rita Narula  
Mr. Sanjay Bana  
Ms. Shefali Kesarwani\*  
*\*(Resigned w.e.f. 13<sup>th</sup> January 2019)*  
\*\*Ms. Himanshi  
*(\*\* Appointed w.e.f. 3<sup>rd</sup> August 2019 )*

Managing Director  
Whole Time Director  
Chief Financial Officer (CFO)  
Company Secretary (CS)

Company Secretary (CS)

**STATUTORY AUDITORS:**

M/s PNG & Co.  
Chartered Accountants,

Firm Registration No. 021910N  
1207, New Delhi House, 27, Barakhamba Road,  
New Delhi-110001

**INTERNAL AUDITORS:**

M/s Dua Manral & Associates  
Chartered Accountants,

Firm Registration No. 023245N  
201, Chaudhary Complex, 9 Veer  
Savarkar Block, Madhuban Road,  
Shakarpur, Delhi - 110092

**REGISTERED OFFICE:**

620, Hemkunt Chambers,  
89, Nehru Place, New Delhi-110019.

**CORPORATE OFFICE:**

A-89, Sector-2, Noida-201301.  
Ph: +91-120-4125476  
Email: [info@orosil.com](mailto:info@orosil.com)  
Website: [www.orosil.com](http://www.orosil.com)

**LISTED WITH STOCK EXCHANGE:**

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai- 400001

**BANKER:**

HDFC Bank Limited  
Bank of Baroda  
Canara Bank

**REGISTRAR & SHARE TRANSFER AGENT**

M/s Skyline Financial Services Private Limited  
D-153 A, Okhla Industrial Area, Phase-I, New Delhi - 110 020  
Email: [parveen@skylinerta.com](mailto:parveen@skylinerta.com), Phone : +91-11-40450193 to 197



CIN: L74899DL1994PLC059341  
Registered Office: Hemkunt Chambers,  
Flat No.620, 89, Nehru Place, New Delhi-110019  
Website: [www.orosil.com](http://www.orosil.com)  
Email: [cs@orosil.com](mailto:cs@orosil.com), P: 0120-4125476

**NOTICE IS HEREBY GIVEN THAT THE 25<sup>th</sup> ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF OROSIL SMITHS INDIA LIMITED WILL BE HELD ON MONDAY, THE 30<sup>TH</sup> DAY OF SEPTEMBER, 2019, AT 11.00 A.M AT YWCA OF DELHI, ASHOKA ROAD, NEW DELHI-110001 TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

**1. ADOPTION OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the Reports of the Board of Directors' and Auditors' thereon.

**2. RE- APPOINTMENT OF MRS. RITA NARULA AS A DIRECTOR LIABLE TO RETIRE BY ROTATION**

To appoint a Director in place of Mrs. Rita Narula (DIN: 00006096), who retires by rotation and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:**

**3. RE- APPOINTMENT OF MS. BHAVANA SAMPATH KUMAR (DIN:05260084) AS NON – EXECUTIVE INDEPENDENT DIRECTOR to hold office for a term of 5 consecutive years**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) (including any statutory modification(s) and /or re-enactment(s) thereof for the time being in force), and based on the recommendation and approval of Nomination and Remuneration Committee and Board of Directors of the Company respectively, MS. BHAVANA SAMPATH KUMAR, Independent director of the company, who hold office upto the conclusion of this Annual General Meeting (“AGM”) and who is eligible for re-appointment as an Independent Director and who has submitted declaration that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI Listing Regulations be and is hereby

reappointed as Independent Director of the Company for a second term of 5 consecutive years i.e. commencing from the conclusion of this AGM till the conclusion of AGM to be held in the year 2024 and shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors and / or Company Secretary be and is hereby authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds, matters and things, as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company.”

#### **4. ALTERATION OF MAIN OBJECT CLAUSE**

**To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as Special Resolution:**

“**RESOLVED THAT** pursuant to Section 4,13 and other applicable provisions, if any, of the Act read with the Companies (Incorporation) Rules, 2014, including any Statutory modification or re-enactment thereof for the time being in force and subject to the necessary approval(s) required under all other applicable laws and regulations, if any, consent of the Members be and is hereby accorded to amend/alter the Memorandum of Association(MOA) of the Company.

**RESOLVED FURTHER THAT** the heading of the existing clause III(A), “**THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**” be and is hereby substituted with the heading “**The objects to be pursued by the Company on its incorporation are:**”

**RESOLVED FURTHER THAT** the existing Clause III (A) 1. of the Memorandum of Association of the Company be and is hereby substituted with the following new clause which would include the existing objects of the Company along with some new diversified insertions:

**III(A) 1. The objects to be pursued by the Company on its incorporation are:**

- (i) *To carry on the business of Manufacturing, Fabrication/Job work, Sale, Purchase, Stockists, Distributors, Agents, Traders/Dealers of all kinds of Silver, Silver Ornaments/Utensils and all other kinds/items of Silver and allied business.***
- (ii) *To carry on the Business of manufacturers, designers, developers, assemblers, distributors, traders, dealers, importers, exporters, wholesalers, retailers, buyers, sellers, online traders of all kinds of fashionable cloth accessories, readymade garments, apparels and other similar material; as licensees or franchise of Garments, in or outside India and also as importers and exporters of all kinds of yarns and textiles.***

**RESOLVED FURTHER THAT** the heading of the existing clause III(B), “**THE OBJECTS INCIDENTAL OR ANCILLIARY TO THE ATTAINMENT OF MAIN OBJECTS ARE:**” be and is hereby substituted with the heading “**Matters which are necessary for furtherance of the objects specified in clause 3(A) are:**” and further altered after shifting sub clauses from Clause III (C) and inserting of new sub-clauses after the existing sub clause 27, is as under:

**III (B) Matters which are necessary for furtherance of the objects specified in clause 3(A) are:**

- 28. Subject to the provisions of Gold Control Act, 1968, to carry on the businesses of goldsmiths, silversmiths, jewellers, ,gem and diamond merchants and of manufacturing and dealing in clocks, watches, jewellery and cutlery and their components and accessories and producing,**

acquiring, importing, exporting and trading in metals, bullion, gold ornaments, silver, silver utensils, diamonds, precious stones, paintings, coins, manuscripts, curious, antiques and objects of art.

29. To carry on net marketing, advertising through websites, promotional activities, channel establishments for its various products and services, providing secured payment processing, net commerce solutions for business to business, business to consumer.
30. To own, create, operate and manage online shopping websites, e-commerce market places, portals, mobile applications and to create a virtual shopping mall with online catalogue and to provide a convenient shopping experience to its customers for an item – clothing, jewellery, footwear, luggage's, hand bags, beauty products & all kinds of accessories related to fashion & lifestyle products.
31. To carry on the business of steam and general laundry and to wash, clean, purify, bleach, wring, dry, iron, colour, dye and prepare for use all articles of wearing apparels and other linen and cotton and woollen goods and clothing and fabrics of all kinds.
32. To design, process, buy, sell and deal in all types of wearing apparels or readymade garments made of all kinds of cotton, linen, silk, wool, natural/artificial leather, artificial silk, rayon, nylon hemp, flax, rubber fibres, cellulosic fibres, metallic fibres, glass fibres, protein fibres, polyesters, synthetic polymers and other fibres, or fibrous substances and preparations, natural or otherwise and all things and material connected therewith.

**RESOLVED FURTHER THAT** Clause III (c), “**THE OTHER OBJECTS**” clause of the Memorandum of Association of the Company be and is hereby altered by deleting all the existing Clauses III (C) 1 to 69.

**5.. TO CONSIDER AND APPROVE THE REVISION IN PAYMENT OF REMUNERATION TO MR. BHUSHAN KUMAR NARULA, MANAGING DIRECTOR OF THE COMPANY.**

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

“RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act 2013 (Act) and the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, or any statutory modification(s) or re-enactment(s) thereof, read with Articles of Association of the Company and such other approvals as are necessary and Special Resolution passed by the Members in Annual General Meeting held on 28th September, 2015 for re-appointment, and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, Consent of the Members of the Company be and is hereby accorded for the revision in payment of remuneration within the maximum permissible remuneration as specified in Section II of Part II of Schedule V to the Companies Act, 2013 to Mr. Bhushan Kumar Narula, Managing Director of the Company with effect from 1st July 2019 for his remaining tenure upon the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting,

RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof be and is hereby authorized to vary and/or revise the remuneration of the said Chairman & Managing Director within the overall limits as prescribed under the act and rules thereunder and to settle any question or difficulties in connection therewith or incidental thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

**By Order of the Board of Directors  
For Orosil Smiths India Limited**

**Date: 10<sup>th</sup> August, 2019**

**Place: New Delhi**

**B.K. Narula  
Managing Director  
DIN: 00003629  
Apartment No. 501, Tower-22,  
Common Wealth Games  
Village Delhi 110092**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“THE MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBER(S) NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.
2. **THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED (DULY COMPETED, STAMPED AND SIGNED) AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable. A Proxy Form (Form No. MGT-11) is enclosed hereto.
3. Member(s)/Proxies/ Authorized Representatives are requested to bring the enclosed attendance slip duly filled in and signed to attend the meeting, mentioning therein details of their DP ID and Client ID / Folio No., along with their copy of the Annual Report at the time of attending the Meeting. Please note that Annual Report copies shall not be available / distributed at the AGM Venue.
4. The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the person seeking re-appointment as Director under Item No. 2 of the Notice, is annexed as hereto.
5. The route map showing directions to reach the venue of the Annual General Meeting is enclosed.
6. Statement pursuant to Section 102 of the Companies Act, 2013 (Act), setting out the material facts concerning Item No. 3, 4 and 5 of the Notice, is annexed hereto.
7. A brief resume of Ms. Bhavana Sampath Kumar, Director proposed to be re-appointed at this AGM, nature of their expertise in specific functional areas, names of Companies in which she holds the Directorship and Membership /Chairmanships of Board Committees, Shareholding and relationship between Directors inter-se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulation) and other requisite information as per Secretarial Standard- 2 on General Meetings, are attached herewith.
8. The statement containing additional information as required in Schedule V of the Companies Act, 2013 in respect of Item No. 5 is attached as Annexure to the Notice.
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 will be available for inspection by the member at the AGM.
10. The Register of Contracts or Arrangements in which the directors are interested maintained under section 189 of Companies Act, 2013 will be available for inspection by the Members at the AGM.
11. **The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 24<sup>th</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019 (both days inclusive).**



12. Members holding shares in electronic mode are requested to intimate any change in their address or bank mandates to their Depository Participants (“DPs”) with whom they are maintaining their demat accounts. Members holding shares in physical mode are requested to advise any change in their address or bank mandates to the Company / Company's Registrar and Transfer Agents, i.e. Skyline Financial Services Private Limited.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Member(s) holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.
14. All relevant documents referred to in the Notice of the Meeting shall be open for inspection at the Registered Office and a copy of all documents referred will be available at Corporate Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days, upto the date of the Annual General Meeting.
15. Notice of the Meeting and the Annual Report for FY 2018-19 of the Company is being sent by electronic mode to those member(s) whose e-mail IDs are registered with the Company/ Depository Participant(s) unless any member has requested for physical copy of the same. For member(s) who have not registered their e-mail IDs, physical copy of the Notice of the Meeting and the Annual Report for FY 2018-19 are being sent in the permitted mode.
16. In furtherance of the Go Green Initiative of the Government, Members are requested to bring their copies of the Annual Report to the meeting. Members may also note that the Notice of the Meeting and the Annual Report for FY 2018-19 will also be available on company's website [www.orosil.com](http://www.orosil.com) for their download.
17. **Member(s) who have not registered their e-mail addresses so far, are requested to register their e-mail address with their Depository Participant or with Skyline Financial Services Private Limited, Registrar and Share Transfer Agent (RTA) of the Company, for receiving all communication including Annual Report, Notices etc. from the Company electronically.**
18. Members desirous of seeking any information relating to the Accounts of the Company may write to the Company at A-89, Sector-2, Noida-201301 at least seven days in advance of the Meeting so that requisite information can be made available at the Meeting.
19. In case of joint holders attending the Meeting, only such joint holder who is named first in the order of names will be entitled to vote.
20. Your attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs on 8<sup>th</sup> February, 2019. A person is considered as a Significant Beneficial Owner (SBO) if he /she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10% or more. The beneficial interest could be in the form of a Company's shares or the right to exercise significant influence or control over the Company, If any member holding shares in the Company on behalf of other or fulfilling the criteria, is required to give a declaration specifying the nature of his / her interest and other essential particulars in the prescribed manner and within the permitted time frame.

21. **SEBI has directed that securities of listed companies can be transferred only in dematerialized form w.e.f. December 05, 2018, in view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form. Members can contact the Company or Skyline Financial Services (P) Ltd. for assistance in this regard.**
22. **Members holding shares in physical mode are required to submit their Permanent Account Number (PAN), bank account details, Email ID and Mobile / Telephone Number to the Company / Skyline Financial Services Private Limited, if not registered with the Company as mandated by SEBI.**
23. **Voting through electronic means**
- (a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- (b) The Facility for voting, through Ballot Paper shall also be made available at the Annual General Meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot paper.
- (c) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (d) The remote e-voting period commences on Friday, 27<sup>th</sup> September, 2019 (9:00 am) and ends on Sunday, 29<sup>th</sup> September, 2019 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
24. **Instructions for e-voting are as under:**
- I. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

**The procedure to login to e-Voting website consists of two steps as detailed hereunder:**

**Step 1 : Log-in to NSDL e-Voting system**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details will be as per details given below :
  - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
  - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
  - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).
5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a. Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 20<sup>th</sup> September, 2019 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IX. The Company has appointed Ms. Kanchan Gupta (Membership No. ACS 45470), Practicing Company Secretary as Scrutinizer for conducting and scrutinize the voting and e-voting process in fair and transparent manner.
- X The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the Annual General Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The results declared along with the Scrutiniser's Report shall be placed on Company's website at [www.orosil.com](http://www.orosil.com) and on the website of NSDL immediately after the result is declared by the Chairman or a person authorized by him in writing and the same will be communicated to the Bombay Stock Exchange (BSE) where the shares of the Company are listed.

#### **STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item no. 3**

Ms. Bhavana Sampath Kumar was appointed as Independent Director of the Company pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 read with SEBI listing Regulations, an Independent Director shall hold office for a term of upto 5 consecutive years on the board of a Company, and shall be eligible for re appointment.

The Board based on the performance evaluation and as per the recommendation of Nomination and Remuneration Committee of Director after taking into account her knowledge, core skills and experience, it is proposed to reappoint Ms. Bhavana Sampath Kumar as an Independent Director, not liable to retire by rotation, for a second term of 5 consecutive Years on the Board of the Company commencing from the conclusion of this 25th AGM till conclusion of AGM to be held in the year 2024 by way of Special resolution. The Company has received a declaration from Ms. Bhavana Sampath Kumar confirming that she meets the criteria of independence under the Act and SEBI Listing Regulations. Further, the Company has also received her consent to act as a Director in terms of section 152 of the Act and a Declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In the opinion of the Board of Directors, Ms. Bhavana Sampath Kumar fulfills the conditions specified in the Act and SEBI Listing Regulations for her appointment as an Independent Director of the Company and is independent of the management.

The Resolution is in the interest of the Company and its Members and accordingly recommended for approval of the Members by means of a Special Resolution.

None of the Directors and Key Managerial personnel of the Company or their Relatives are concerned or interested, financially or otherwise, in the aforesaid Special Resolution.

Brief Profile of Ms. Bhavana Sampath Kumar forms part of this Notice. This explanatory Statement together with the accompanying Notice of the AGM may also regarded as a disclosure under Regulation

36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS- 2) of ICSI.

#### **Item No. 4**

The Company is currently engaged in the business of manufacturing, designing & online Trading of silver and gold Jewellery. The management of the Company has been exploring new avenues of business which will generate additional revenue. With a view to augment the scope & net worth of its current business activities, it would be desirable for the Company to broad base its main objects; containing the existing objects and some new objects in line with the existing business along with the objects earlier taken up by the Company, as well as the matters which are necessary for the furtherance of the Main Objects of Memorandum of Association(MOA) of the Company within the ambit of its business activities as it would be in the best interest of the Company.

In order to align with the requirements of Companies Act, 2013, it is considered expedient to amend the existing MOA of the Company. In terms of Section 4(1)© of the Act, the MOA of the Company is to state the objects for which the Company is proposed to replace the existing headline of Clause III(A) & III(B) and delete Clause III(C) of the existing MOA of the Company.

Further it is proposed to move some Clauses of other Objects of the existing MOA, as relevant for the attainment of main objects of the Company, to the Clause III(B) of the revised MOA and also inserting new Clauses for attainment of new Main Object clause after sub Clause 27 of III(B) of MOA and renumbering and rephrasing the Clauses accordingly.

In terms of Section 13 and 110 and other applicable provisions of the Act and rules made thereunder, consent of the Members of the Company is proposed to be obtained for the alteration of MOA of the Company through postal ballot. However, w.e.f. 9th February 2018, a proviso is inserted which states ***that any item of business required to be transacted by means of postal ballot, may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section.*** Accordingly, it will be taken up in the forthcoming Annual General Meeting of the Company.

The Resolution is in the interest of the Company and its Members and accordingly recommended for approval of the Members by means of a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the aforesaid Special Resolution.

#### **Item no. 5**

Mr. Bhushan Kumar Narula, aged 65 years, is presently designated as Managing Director of the Company. He has been affiliated with the Company as a member of the Board of Directors since 1st June, 1994 and from then the Company has been taking the advantage of his guidance and supervision. Because of his sustained efforts, the Company has sustained a growth pattern and has achieved success. He has wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of Company, along with a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board. Mr. Bhushan Kumar narula was drawing a token remuneration of Rs. 1.00 (Rupee One) per month only. During the financial year 2018-19, 4 (Four) meetings of the Board of Directors had been held and all the meetings were attended by Mr. Bhushan Kumar Narula. As on 31 March, 2019, he holds 70, 40,000 (17.04%) equity shares in the Company. Mr. Bhushan Kumar is Member of audit Committee of Directors and Nomination and Remuneration Committee of Directors of the Company.

In terms of the provisions of Sections 197, 198, Schedule V and other applicable provisions, if any, of the

Companies Act, 2013 and the rules made thereunder and Articles of Association of the Company, revision in the remuneration of Mr. Bhushan Kumar Narula, Managing Director of the Company requires approval of the shareholders. Mr. Bhushan Kumar Narula was re-appointed as Managing Director for a period of five Years w.e.f. 1st April, 2015 approved by the Members at their AGM held on 28th September, 2015. Keeping in view Mr. Bhushan Kumar Narula's performance, the complexities of the responsibilities handled by him, industry remuneration benchmarks, the Board of Directors recommends the revised remuneration to Rs. 60,000 Per month and no other allowances as approved by the Nomination and Remuneration Committee.

Mr. Bhushan Kumar Narula is a Director and Chairman/Member of Committees of Board of the following other Companies:

S.No.	Name of the Company/Entity in which interested	Committees Chairmanship/ Membership
-	-	-

Mr. Bhushan Kumar Narula holds Directorship in the following Private Limited Companies:

S No.	Name of the Company/Entity in which interested
1.	Xtrems Retails Private Limited
2.	Sridhi Infra Private Limited

**THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013 IS ATTACHED AS ANNEXURE TO THE NOTICE.**

Therefore, the Board of Directors of your Company recommends the passing of Special Resolution as set out at Item No. 05 of the Notice.

Except Mr. Bhushan Kumar Narula , himself and his spouse Ms. Rita Narula, Whole time Director of the Company, no other Director or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the passing of the above resolution as set out in Item No. 05 of the notice.

**By Order of the Board of Directors  
For Orosil Smiths India Limited**

**Date: 10<sup>th</sup> August, 2019**

**Place: New Delhi**

**B.K. Narula  
Managing Director  
DIN: 00003629  
Apartment No. 501, Tower-22,  
Common Wealth Games  
Village Delhi 110092**

**ANNEXURE TO THE NOTICE**

**DETAILS OF THE DIRECTOR SEEKING RE -APPOINTMENT AT THE ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**1. Ms. RITA NARULA (WHOLE TIME DIRECTOR)**

<b>Brief Resume:</b>	Ms. Rita Narula w/o of Mr. Bhushan Kumar Narula is a Jewelry Designer having a vast experience of 27 years in manufacturing and designing of jewelries and enriching of knowledge of gems and Stones. She is also involved in Divya Chaya Trust as a convener of school which is being run for last 10 years, and continuously contributing to the Company since incorporation
<b>Date of Birth/ Age</b>	16.07.1958 and 61 years
<b>Date of first Appointment</b> :	01.06.1994
<b>Last Drawn Remuneration</b>	Rs. 5.40 lakh p.a.
<b>Directorship held in other listed companies</b>	Nil
<b>Membership/Chairmanship of Board Committee in other public companies</b>	Nil
<b>Nature of expertise in specific functional Area</b>	Designing of Jewellery, Gems and Stones
<b>Disclosure of relationship between directors inter-se</b>	Ms. Rita Narula, Whole Time Director, is related to Mr. B.K. Narula, Managing Director of the Company, being her Husband and to Mr. Karan Suri, Non-Executive Director of the Company, being her son in law. Except above, she is not related with any other Director or Key Managerial Personnel of the Company.
<b>Shareholding in the Company</b>	62,56,735 shares

**2. MS. BHAVANA SAMPATH KUMAR (NON -EXECUTIVE INDEPENDENT DIRECTOR)**

<b>Brief Resume:</b>	Ms. Bhavana Sampath Kumar (Non-executive Independent Director) is a seasoned management professional with over 18 years of experience in a plethora of industries, including but not limited to IT/ITES, FMCG, FMCD, Healthcare, & Consulting.
<b>Date of Birth/ Age</b>	01.11.1979 and 39 Years
<b>Date of first Appointment</b> :	28.05.2012
<b>Last Drawn Remuneration</b>	NIL
<b>Directorship held in other listed companies</b>	Nil
<b>Membership/Chairmanship of Board Committee in other public companies</b>	Nil
<b>Nature of expertise in specific functional Area</b>	Vast knowledge of Marketing, Sales, Business Development and Customer Service.
<b>Disclosure of relationship between directors inter -se</b>	<b>NIL</b>
<b>Shareholding in the Company</b>	NIL

**3. THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NO. 5 OF THE NOTICE IS AS FOLLOWS:**

**I. General Information:**

1. Nature of Industry: The Company is primarily engaged in the business of Manufacturing, fabrication, sale, purchase, traders/ Dealers of all kinds of Gold, Silver Ornaments/ Utensils and all other items of Gold, Silver and allied business.
2. Date or expected date of commencement of commercial production: The Company is in operation since 1994.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: **Not Applicable.**

**4. Financial performance based on given indicators:**

(Rs. in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income from Operations and other Income	159.05	375.66
Operating Profit/loss (before interest, depreciation and tax)	(21.52)	16.75
Profit/(Loss) before Tax*	(49.18)	(3.13)
Profit/(Loss) after Tax	(49.18)	(3.13)

\* excludes exceptional items.

5. Foreign investments or collaborators, if any: The Company has no foreign collaborators and hence there is no equity participation by foreign collaborators in the Company.

**II. Information about Mr. Bhushan Kumar Narula:**

1. Background details: Mr. Bhushan Kumar Narula is associated with the Company since 1st June 1994. He was also a Chairman of Jewellery Design & Technology Institute. He has vast experience in Finance and jewellery designing .
2. Past remuneration: Mr B.K. Narula was receiving Re. 1/- as a monthly salary with no other allowance.
3. Recognition or Awards: No Award has been received during the recent past year.
4. Job Profile and his suitability: Mr. B. K. Narula as Chairman and Managing Director has been looking after the overall affairs and operations of the Company guiding the supervision and control of the Board of Directors. He is involved in policy planning, vision and strategy and long term development activities of the Company. He has been instrumental in taking the Company to good brand in online business. The Company is considered as multi dimensional jewellery solutions Company. He has very good Knowledge of gold, silver, gems and stones.
5. Remuneration proposed: As stated in the Explanatory Statement at Item No.5 of this Notice.
6. Comparative remuneration policy with respect to industry, size of the company, profile of the position and person: The remuneration as proposed of Mr. B.K. Narula is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and its group and diverse nature of its businesses.
7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed, Mr. B.K. Narula does not have any pecuniary relationship with the Company. Mr. B.K. Narula is the husband of Ms. Rita



Narula, Whole Time Director of the Company. Mr. B.K. Narula belongs to the Promoter and Promoter Group. He is Managing Director and holds 17.04% in the share capital of the Company.

**III. Other information:**

1. Reasons of loss or inadequacy of profits: The Company is passing Resolution pursuant to the the sub-section (3) of Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013. Due to slowdown in economic growth and business environment, the Company has incurred losses during the financial year. The Board of Directors expects that there will be further improvement in overall performance in the coming years.
2. Steps taken or proposed to be taken for improvement: The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position. The inherent strengths of the Company are also expected to enable the Company to position itself during adversities. The Company has also strategically planned to address the issue of productivity and increase profits and has put in place measures to reduce cost and improve the bottom-line. The company is looking for expansion of Business by adding new line along with the existing line of Business
3. Expected increase in productivity and profits in measurable terms: The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

**IV. Disclosures:**

1. Remuneration package of the managerial person: Fully described in the explanatory statement as stated above.
2. Disclosures with respect to Remuneration: The appointment and remuneration of Executive Directors including Managing Director and Whole time Director is governed by the recommendation of the Remuneration and Nomination Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Managing Director and Whole time Director comprises of salary and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Remuneration and Nomination Committee and recommended to the Board for approval thereof. The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. Presently, the Company does not have a stock options scheme for its Directors. The Remuneration and Nomination Policy is displayed on the Company's website viz. [www.orosil.com](http://www.orosil.com).



To,  
The Members,  
Orosil Smiths India Limited

Your Directors have pleasure in presenting 25<sup>th</sup> Annual Report together with the Audited Financial Statements along with the Report of Auditors for the financial year ended 31<sup>st</sup> March, 2019.

**FINANCIAL SUMMARY/HIGHLIGHTS**

The highlights of the financial performance of the Company for the financial year ended 31<sup>st</sup> March 2019 as compared to the previous financial year are as under:

Particulars	Amount (Rs. in Lakh)	
	Financial year ended 31 <sup>st</sup> March, 2019	Financial year ended 31 <sup>st</sup> March, 2018
Revenue from Operations	159.05	375.66
Other Income	0.85	1.09
<b>Total Income</b>	<b>159.91</b>	<b>376.75</b>
Total expenditure excluding Depreciation	181.43	360.01
Add: Depreciation	16.66	19.88
Total expenditure	198.09	379.89
Profit/ (Loss) Before Tax & Exceptional Item	(38.18)	(3.14)
Exceptional Item	11	0
<b>Profit/ (Loss) Before Tax</b>	<b>(49.18)</b>	<b>(3.14)</b>
Tax Expenses:		
Current Tax	0	0
Deferred Tax	0	0
Previous Year Adjustment	0	0
<b>Profit / (Loss) after Tax</b>	<b>(49.18)</b>	<b>(3.14)</b>
<b>Other Comprehensive Income</b>	<b>(0.14)</b>	<b>0.19</b>
<b>Total Comprehensive Income</b>	<b>(49.32)</b>	<b>(2.94)</b>

### **FINANCIAL PERFORMANCE/OPERATIONAL REVIEW**

The revenue from operations and other income for financial year under review were Rs. 159.05 Lakh as against Rs. 375.66 Lakh for the previous financial year registering decline of 57.66% in the current year in comparison to the corresponding previous year. The net loss was Rs. 49.18 Lakh for the Financial Year under review as against loss of Rs. 3.14 Lakh for the previous financial year.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing therein its Standalone Financial Statements will be made available on the website of the Company at web link <https://www.orosil.com/annual-report>. Any member who is interested in obtaining a copy of the Annual Report may write to the Company at the Corporate Office of the Company. Further, a detailed analysis of Company's performance is included in the Management Discussion and Analysis, which forms part of this Annual Report.

### **STATE OF COMPANY'S AFFAIRS**

Orosil Smiths India Limited is a company incorporated on 01<sup>st</sup> June 1994 primarily engaged in the business of Manufacturing, fabrication, Sale, Purchase, Traders/ Dealers of all kinds of Gold, Silver, Silver Ornaments/ Utensils and all other items of Gold, Silver and allied business.

Due to growth of trade in jewellery in the online medium, the Company has opened the account to sell their silver jewellery products on Flipkart.com. The company is offering silver jewellery under "Kuhjohl" brand. Earlier company was offering sale of "Kuhjohl" Jewellery on its own website, namely; [www.orosil.com](http://www.orosil.com).

Your directors expect that there will be further improvement in overall performance in the coming years and looking for expansion of business in the sector of manufacturing or trading of all kinds of fashionable garments.

### **DIVIDEND**

Due to losses incurred by the Company, your Directors have considered it financially prudent to not to declare any dividend. Therefore, no dividend has been recommended for the year ended 31<sup>st</sup> March 2019.

### **TRANSFER TO RESERVES**

The Company has not transferred any amount to Reserves and Surplus during the year under review.

### **DEPOSITS**

The Company has not accepted/received any Deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 during the financial year ended 31<sup>st</sup> March 2019. Further, there was no outstanding public deposits and unclaimed deposits as at 31<sup>st</sup> March 2019.

### **SHARE CAPITAL**

During the year under review, the Company did not issue Equity Shares and Preference Shares. The paid-up Share Capital as on 31<sup>st</sup> March, 2019 was Rs. 5,22,00,000/-. Further, The Company has neither issued shares with differential voting rights nor sweat Equity Shares.

### **PROCEED FROM PUBLIC ISSUE, RIGHT ISSUE, PREFERENTIAL ISSUE**

During the financial year 2018-19 the Company did not raise capital through public, rights and for preferential issue.

### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There has been no change in nature of business of your company during the year under review.

### **DETAILS OF SUBSIDIARIES/ JOINT VENTURE AND ASSOCIATES COMPANY**

The Company does not have any Subsidiary, Joint Venture and Associate Company. During the year under review no company has become or ceased to be its subsidiary, joint venture or associate Company.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Ms. Shefali Kesarwani resigned from the post of Company Secretary w.e.f. 13<sup>th</sup> January, 2019.

Mr. Bhushan Kumar Narula, Managing Director of the Company was liable to retire by rotation and being

eligible offers himself for re-appointment, was re-appointed by the Members of the Company in the Annual General Meeting of the Company held on 29<sup>th</sup> September, 2018.

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Articles of Association of the Company Ms. Rita Narula, Whole time Director of the Company, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers herself for reappointment.

Brief resume of Ms. Rita Narula, nature of expertise in specific functional area and the name of the companies in which she holds the Directorship etc. is given in the notice convening the Annual General Meeting.

In accordance with the provisions of Section 149, 152, 160, 161 and other applicable provisions of the Companies Act 2013, Ms. Bhavana Sampath Kumar who has been appointed in 2014 is being appointed as Independent Director of the Company subject to approval of Members by way of special resolution in the AGM.

Brief resume of Ms. Bhavana Sampath Kumar, nature of expertise in specific functional area and the name of the companies in which she holds the Directorship etc. is given in the notice convening the Annual General Meeting.

However, post financial year, Ms. Himanshi was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 3<sup>rd</sup> August 2019.

It may be noted that post financial year, Pursuant to the recommendation of Nomination and Remuneration Committee, Board of Directors and subject to the approval of Members of the Company, Mr. Bhushan Kumar Narula is drawing remuneration of Rs. 60,000 per month w.e.f. 1<sup>st</sup> July, 2019.

No. of Directors and Key Managerial Personnel as on date of this report are

Mr. Bhushan Kumar Narula	Managing Director (Chairman)
Ms. Rita Narula	Whole Time Director
Ms. Bhavana Sampath Kumar	Non- Executive Independent Director
Mr. Vineet Aggarwal	Non- Executive Independent Director
Mr. Karan Suri	Non-Executive Director
Mr. Sanjay Bana	Chief Financial Officer (CFO)
Ms. Himanshi	Company Secretary

#### **NUMBER OF MEETINGS OF THE BOARD**

During the year under review, 4 (Four) Board Meetings were held on May 26, 2018, August 14, 2018, November 14, 2018, February 09, 2019. The agenda and Notice for the Meetings is prepared and circulated in advance to the Directors. The necessary quorum was present in all the meetings. The gap between any two meetings was not more than one hundred and twenty days as prescribed under Companies Act, 2013. A separate meeting of the Independent Director of the Company was also held on 9th February 2019.

The details of the Board Meetings and attendance of the Directors are as follows:

S.No	Name of Directors	No. of Board Meeting Held during the year	No. of Board Meetings Attended
1.	Mr. B.K Narula	4	4
2.	Ms. Rita Narula	4	4
3.	Ms. Bhavana Sampath Kumar	4	1
4.	Mr. Vineet Aggarwal	4	4
5.	Mr. Karan Suri	4	4

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors hereby state that:

- i. in the preparation of the Annual Accounts for the financial year ended 31st March, 2019, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the Annual Accounts for the year ended 31st March, 2019 on a going concern basis.
- v. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and other applicable Regulations, etc. Declarations have been received from all Independent Directors of the Company that they meet the criteria of independence and that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence, as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

## **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

During the financial Year ended 31<sup>st</sup> March 2019, a Separate Meeting of the Independent Directors of the Company was held on February 09, 2019, at the corporate office of the Company, inter alia, to discuss:

- a) Review of performance of Non- Independent Directors and the Board as a whole.
- b) Review of performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non- Executive Directors.
- c) The quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in prescribed Form MGT-9 forms part of the Board Report is annexed as “Annexure-A”.

## **RELATED PARTY TRANSACTIONS**

During the Financial Year ended 31<sup>st</sup> March 2019, all contracts or arrangements or transactions entered into

by the Company with related parties were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons, which may have potential conflict with interests of the Company at large. The details of Related Party Transactions are disclosed in Notes to the Financial Statements attached to and forming part of the Annual Financial Statements and also stated in Form AOC-2 annexed as "**Annexure –B**".

The Policy on dealing with related party transactions and on determining materiality of related party transactions may be accessed on the Company's website at the link:- <https://www.orosil.com/policies-under-sebi-act-1611>

## **AUDITORS**

In accordance with the provisions of the Companies Act, 2013 & rules thereunder, M/s PNG & Co., Chartered Accountants having FRN 021910N, were appointed as Statutory Auditors of the Company by the members in the 23<sup>rd</sup> Annual General Meeting held on July 25, 2017 to fill the casual vacancy in the office of Auditors until the conclusion of the ensuing 24<sup>th</sup> Annual General Meeting. The said appointment of Statutory Auditors in casual vacancy arose due to resignation of M/s Kumar Aggarwal & Associates, Chartered Accountants.

On the recommendation of the Audit Committee, the Board recommended the re-appointment of M/s PNG & Co., Chartered Accountants (FRN 021910N) as the Statutory Auditors of the Company for fresh term of 5 years, i.e. from the conclusion of the 24<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2018 until the conclusion of 29<sup>th</sup> Annual General Meeting to be held in the Year 2023 subject to ratification of the appointment by the Members, at every Annual General Meeting. As per the notification issued by the Ministry of Corporate Affairs (MCA) dated 7<sup>th</sup> May, 2018 for the Companies (Amendment) Act, 2017 and Companies (Audit and Auditors) Amendment Rules, 2018, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting, therefore no resolution for such ratification is taken in the Notice of the ensuing AGM.

The observations of the Auditors in their report on accounts and the financial statements read with the relevant rules are self – explanatory.

## **AUDITORS' REPORT**

The Statutory Auditors of the Company have submitted report to the Members of the Company for the Year, which is unqualified, without any reservation or adverse remark or disclaimer. The same report of the auditors is attached to the Financial Statements forming a part of this Report. Therefore, Board does not have any explanation or comment.

## **SECRETARIAL AUDITOR**

The Board had appointed M/s Kanchan Gupta & Associates, Practicing Company Secretaries to conduct Secretarial Audit for FY 2018-19 pursuant to the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March 2019 is annexed herewith as **Annexure "C"** forming integral part of this report. The said report contains a remark which is stated below:

*Pursuant to Section 203(4) of the Companies Act, 2013, vacancy created due to resignation of Company Secretary of the Company in January 2019, not filled-up by the Board at their meeting within a period of six months from the date of such vacancy, however new Company Secretary has been appointed before the date of issuance of this report. Also, due to non-appointment of Company Secretary within prescribed time limits, Financials Statement of the Company for the*

*FY ended 31.03.2019 has not been signed by the Company Secretary, as required by Section 134 of the Companies Act, 2013.*

### **INTERNAL AUDITOR**

The Board of Directors of the Company had appointed M/s Dua Manral & Associates, Chartered Accountants (ICAI FRN 023245N) as Internal Auditor of the Company for financial year 2018-19.

### **COST AUDITOR**

The Company was not required to appoint cost auditor for the financial year 2018-19 pursuant to Section 148 of the Companies Act, 2013.

### **MAINTENANCE OF COST RECORDS UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013**

The Company was not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records are not made and maintained.

### **BOARD EVALUATION**

As required, the Nomination and Remuneration Committee of Directors specified the manner for effective evaluation of performance of Board, its Committees and individual Directors in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations. Accordingly, the Board has carried out formal annual evaluation of its own performance, its directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee in accordance with the manner specified by Nomination and Remuneration Committee of Directors. The manner in which the evaluation has been carried out is explained below: -

The framework includes the evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness
- Peer evaluation

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board functioning such as adequacy of composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance of the Board and its Committees. The performance of the individual directors was reviewed on the basis of the criteria such as contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

The details of the framework for performance evaluation of Independent Directors, Board, Committees and other individual Directors are placed on the website of the company at the link <https://www.orosil.com/policies-under-sebi-act-1611>

Programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the

Company and related matters are put up on the website of the Company at the link <https://www.orosil.com/policies-under-sebi-act-1611>

Formal evaluation of all the directors, the board as a whole and the committees was conducted and was found satisfactory.

#### **NOMINATION & REMUNERATION POLICY**

In accordance with the provisions of Section 178 of the Act, the Board of Directors has adopted a Policy on Board Diversity and Director Attributes and the Remuneration Policy. The Policy on Board Diversity and Director Attributes has been framed to encourage diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Remuneration Policy for Directors, Key Managerial Personnel and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Policy aims to ensure that the level and composition of the remuneration of the Directors, Key Managerial Personnel and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company.

The aforesaid policy has been posted on the Website of the Company <https://www.orosil.com/policies-under-sebi-act-1611>

#### **DISCLOSURE UNDER SECRETARIAL STANDARDS**

The Directors state that the Company is complying with all the applicable Secretarial Standards on meetings of the Board of Directors.

#### **COMMITTEES OF THE BOARD**

##### **AUDIT COMMITTEE**

The Audit Committee of the Company comprises of Independent Directors and is duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013.

Four Meetings of the Audit Committee were held during the financial year under review. These were held on May 26, 2018, August 14, 2018, November 14, 2018, and February 09, 2019.

The composition of the Audit Committee along with meeting & attendance details of each member at the Audit Committee Meetings held during the financial year ended 31<sup>st</sup> March 2019 are as follows:

S.No.	Name	Designation	Category	No. of Audit Committee Meetings held during the year	No. of Audit Committee Meetings Attended
1.	Mr. Vineet Aggarwal	Chairman	Non-executive Independent Director	4	4
2.	Ms. Bhavana S. Kumar	Member	Non-executive Independent Director	4	1
3.	Mr. B.K. Narula	Member	Managing Director	4	4
4.	Mr. Karan Suri	Member	Non-executive Director	4	4

The Committee inter-alia reviews the adequacy of Internal Financial Controls and Financial Statements before they are submitted to the Board for their approval. All the recommendations made by the Audit Committee were accepted by the Board.

##### **Nomination and Remuneration Committee**

During the year ended 31st March 2019, 1 (One) Nomination and Remuneration Committee Meeting was held on August 14, 2018.



The composition of the Nomination and Remuneration Committee and attendance details are given below:

S.No.	Name	Designation	Category	No. of Nomination and Remuneration Committee meetings held during the year	No. of Nomination and Remuneration Committee Meetings Attended
1.	Ms. Bhavana S. Kumar	Chairperson	Non-executive Independent Director	1	-
2.	Mr. Vineet Aggarwal	Member	Non-executive Independent Director	1	1
3	Mr. Karan Suri	Member	Non-Executive Director	1	1
4.	Mr. B.K. Narula	Member	Managing Director	1	1

### **RISK MANAGEMENT POLICY**

The Business Risk Evaluation and Management is an on-going process within the Organization. The Company has a structured Risk Management Policy to identify, monitor and minimize risks and also identify business opportunities. The Company has put in place risk minimization and assessment procedures, in order to effectively and efficiently manage risk and address challenges. The objective of Risk Management at Orosil Smiths India Limited is to create and protect shareholder value by minimizing threats or losses and identifying and maximizing opportunities. An enterprise wide risk management framework is applied so that effective management of risks is an integral part of every employee's job.

Further, a Risk Management Policy of the Company is available on Company's Website at the link <https://www.orosil.com/policies-under-sebi-act-1611>

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any Loan and guarantee to any person or body corporate during the financial year. The details of investments made by the Company are in Note No. 3 of the Audited Financial Statements.

### **DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The Disclosure required pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of The Companies (Appointment and Remuneration of managerial personnel) Rules, 2014 is annexed as Annexure-D. Further, in accordance with Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of The Companies (Appointment and Remuneration of managerial personnel) Rules, 2014, there is no employee who is employed either throughout the financial year 2018-19 or any part thereof, was in receipt of remuneration of rupees one crore two lakh per annum or rupees eight lakh fifty thousand per month for part of the year.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS**

During the year under review, there was no significant material order passed by the Regulators or Courts or Tribunals that could impact the going concern status of the Company and its future operations.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section, forming part of the Annual Report.

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

There are no particulars as required under section 134(3(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, research & development, technology absorption during the year under review. Further, there was no Foreign Exchange earnings and outgo during the Financial Year 2018-2019.

## **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has an Internal Control System, which commensurate with the size, scale and complexity of its operations. M/s. Dua Manral & Associates, Chartered Accountants, was appointed as Internal Auditors of the Company during the year. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

## **CODE FOR PREVENTION OF INSIDER TRADING**

The Company has formulated a Code of practices and procedures for fair disclosure of unpublished price sensitive information. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, designated employees and other employees. The code is uploaded on the website of the Company at <http://www.orosil.com/code-of-fair-disclosure>.

## **WHISTLE BLOWER POLICY/VIGIL MECHANISM**

The Company has established a Vigil Mechanism (Whistle Blower Policy) as per the requirements of Section 177 of the Companies Act, 2013 for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour or any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/ complaints to the Chairman of Audit Committee in a sealed envelope marked confidential for appropriate action.

The details of establishment of such mechanism have been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee. The vigil mechanism (Whistle Blower Policy) may be accessed on the Company's website "[www.orosil.com](http://www.orosil.com)."

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company after the close of the financial year till the date of this Report.

## **LISTING OF SHARES**

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited. The Annual Listing Fee for the financial year 2018-19 has been paid to the Stock Exchange where the Shares of the Company are listed.

## **DISCLOSURE OF COMMODITY PRICE RISKS AND HEDGING ACTIVITIES**

Please refer Note No. 26(j) of the Financial Statements, which forms part of the Annual Report.

## **CORPORATE GOVERNANCE**

As per Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance provisions as specified in Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and Paragraph C, D and E of Schedule V does not apply on the companies whose paid-up share capital and net worth is less than Rupees Ten Crores and Rupees Twenty-Five Crores respectively. Since the paid-up share capital and net worth of the Company is less than the aforesaid threshold limit, the Company is not required to comply with the above mentioned Corporate Governance provisions.

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The criteria of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013 is not applicable on the Company during the financial year 2018-2019.

## **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, no complaints were received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

## **FRAUDS REPORTED BY AUDITORS**

There are no such frauds reported by auditors to the Audit Committee or the Board of Directors, which are committed against the company by officers or employees of the company under Section 143(12) of the Companies Act, 2013.

## **ANNUAL REPORT**

The Annual Report containing, inter-alia, the audited financial statements, Boards' Report, Auditors' Report, Management Discussion and Analysis (MDA) report and other important information is circulated to shareholders and other stakeholders and is also available on the Company's website at [www.orosil.com](http://www.orosil.com).

## **ACKNOWLEDGEMENT**

Your Directors record their sincere appreciation to the employees of the Company at all levels for their cooperation and dedicated services. We also thank all our customers and suppliers who are always cooperative. We also express our sincere thanks to Bankers, Financial Institutions and the Shareholders for their continued support.

**On behalf of the Board of Directors  
For Orosil Smiths India Limited**

**Rita Narula  
Whole Time Director  
DIN: 00006096**

**B.K. Narula  
Chairman & Managing Director  
DIN: 00003629**

**Date: 10<sup>th</sup> August, 2019**

**Place: New Delhi**

## ANNEXURE-A

**Form No. MGT -9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31<sup>st</sup> March, 2019**  
*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

(i) <b>CIN</b>	:	L74899DL1994PLC059341
(ii) <b>Registration Date</b>	:	01/06/1994
(iii) <b>Name of the Company</b>	:	OROSIL SMITHS INDIA LIMITED
(iv) <b>Category/Sub-Category of the Company</b>	:	Public Company Limited by Shares / Indian Non- Government Company
(v) <b>Address of the Registered office and contact details</b>	:	620, Hemkunt Chambers, 89, Nehru Place, New Delhi -110019 Tel: 0120-2540571-72-73, Fax: +91-120-2540578 Email- info@orosil.com, Website - www.orosil.com
(vi) <b>Whether listed company (Yes/No)</b>	:	Yes
(vii) <b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	:	Skyline Financial Services Pvt. Ltd D-153A, First Floor, Okhla Industrial Area Phase-1, New Delhi-110020 Tel: +91-11- 40450193-97 E-mail: <a href="mailto:parveen@skylinerta.com">parveen@skylinerta.com</a> Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a>

**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
Gems and Jewelry	321	99.38

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Sr No	Category of Shareholders	No. of shares held at the beginning of the year (As on 1 <sup>st</sup> April 2018)				No. of shares held at the end of the year (As on 31 <sup>st</sup> March 2019)				% change during the year
		Physical	Demat	Total	% of Total shares	Physical	Demat	Total	% of Total Shares	
<b>(A)</b>	<b>Promoters</b>									
	<b>1) Indian</b>									
	(a) Individual/HUF	0	23803770	23803770	57.61	0	23803770	23803770	57.61	0
	Central/State (b) Government(s)	0	0	0	0	0	0	0	0	0
	(c) Bodies Corporate	0	7174925	7174925	17.37	0	7174925	7174925	17.37	0
	Banks/Financial (d) Institutions	0	0	0	0	0	0	0	0	0
	(e) Any Other (specify)	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (A)(1)</b>	<b>0</b>	<b>30978695</b>	<b>30978695</b>	<b>74.98</b>	<b>0</b>	<b>30978695</b>	<b>30978695</b>	<b>74.98</b>	<b>0</b>
	<b>2) Foreign</b>									
	Non- Resident (a) Individuals/ Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0
	(b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
	(c) Institutions	0	0	0	0.00	0	0	0	0.00	0
	Qualified Foreign (d) Investor	0	0	0	0.00	0	0	0	0.00	0
	(e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
	<b>Total shareholding of Promoter &amp; Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>0</b>	<b>30978695</b>	<b>30978695</b>	<b>74.98</b>	<b>0</b>	<b>30978695</b>	<b>30978695</b>	<b>74.98</b>	<b>0</b>

**Category-wise Share Holding (contd.)**

S.No	Category of Shareholder	No. of shares held at the beginning of the year (As on 1 <sup>st</sup> April, 2018)				No. of shares held at the closing of the year (As on 31 <sup>st</sup> March, 2019)				% change during the year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
(B)	<b>Public Shareholding</b>									
	<b>1. Institutions</b>									
	a) Mutual funds	0	0	0	0	0	0	0	0	0
	b) Banks / FI	0	0	0	0	0	0	0	0	0
	c) Central Govt	0	0	0	0	0	0	0	0	0
	d) State Govt(s)	0	0	0	0	0	0	0	0	0
	e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
	f) Insurance Companies	0	0	0	0	0	0	0	0	0
	g) FIs	0	0	0	0	0	0	0	0	0
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i) Others (specify)	0	0	0	0	0	0	0	0	0
	<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non- Institutions</b>										
<b>(A) Bodies Corporate</b>										
a) Indian	112000	5941091	6053091	14.65	112000	5583650	5695650	13.79	(0.86)	
b) Overseas	0	0	0	0	0	0	0	0	0	
<b>(B) Individuals</b>										
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	340230	955758	1295988	3.14	315230	942419	1257649	3.04	(0.10)	
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	403000	1752070	2155070	5.22	203000	2336894	2539894	6.15	0.93	
c) N.R.I. (Rep & Non-Rep.)	0	9880	9880	0.02	0	9880	9880	0.02	0	
d) Any Other (Specify)										
i) Hindu Undivided Family	0	823276	823276	1.99	0	834232	834232	2.02	0.03	
ii) Clearing Members/ House	0	0	0	0	0	0	0	0	0	
<b>Sub Total (B)(2)</b>	<b>855230</b>	<b>9482075</b>	<b>10337305</b>	<b>25.02</b>	<b>630230</b>	<b>9707075</b>	<b>10337305</b>	<b>25.02</b>	<b>0</b>	
<b>Total Public Shareholding (B)=B (1) +B (2)</b>	<b>855230</b>	<b>9482075</b>	<b>10337305</b>	<b>25.02</b>	<b>630230</b>	<b>9707075</b>	<b>10337305</b>	<b>25.02</b>	<b>0</b>	
<b>Total (A)+(B)</b>	<b>855230</b>	<b>40460770</b>	<b>41316000</b>	<b>100</b>	<b>630230</b>	<b>40685770</b>	<b>41316000</b>	<b>100</b>	<b>0</b>	
(C) <b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0	
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>855230</b>	<b>40460770</b>	<b>41316000</b>	<b>10000</b>	<b>630230</b>	<b>40685770</b>	<b>41316000</b>	<b>100</b>	<b>0</b>	

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01 <sup>st</sup> April, 2018)			Shareholding at the end of the year (As on 31 <sup>st</sup> March 2019)			% 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	B.K. Narula	7040000	17.04	0.00	7040000	17.04	0.00	0
2	Rita Narula	6256735	15.14	0.00	6256735	15.14	0.00	0
3	Sidhi Narula	2977070	7.21	0.00	2977070	7.21	0.00	0
4	Ridhi Suri	2711500	6.56	0.00	2711500	6.56	0.00	0
5	B. K. Narula (HUF)	4818465	11.66	0.00	4818465	11.66	0.00	0
6	Sukarma Finance Limited	5392175	13.05	0.00	5392175	13.05	0.00	0
7	Xtremis Retails Private Limited	1215000	2.94	0.00	1215000	2.94	0.00	0
8	Sridhi Infra Pvt. Ltd	567750	1.37	0.00	567750	1.37	0.00	0
<b>Total</b>		30978695	74.97	0.00	30978695	74.97	0.00	0

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

S N.	Name of Promoters	Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year/shareholding at end of the year 31.03.2019#	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	B.K. Narula	7040000	17.04	7040000	17.04
2	Rita Narula	6256735	15.14	6256735	15.14
3	Sidhi Narula	2977070	7.21	2977070	7.21
4	Ridhi Suri	2711500	6.56	2711500	6.56
5	B. K. Narula (HUF)	4818465	11.66	4818465	11.66
6	Sukarma Finance Limited	5392175	13.05	5392175	13.05
7	Xtremis Retails Private Limited	1215000	2.94	1215000	2.94
8	Sridhi Infra Pvt. Ltd	567750	1.37	567750	1.37
	<b>Total</b>	<b>30978695</b>	<b>74.98</b>	<b>30978695</b>	<b>74.98</b>
# There is no change in promoters shareholding during the year .					

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

S No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2018		Date of change in shareholding	Increase/d ecrease in Shareholding	Reason	Cumulative Shareholding during the year /shareholding at end of the year 31.03.2019		
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company	
1.	O J Financial Services Limited	2820345	6.83	01.04.2018	-	-	2820345	6.83	
				17.08.2018	(2767645)	Sale	52700	0.13	
				24.08.2018	(34200)	Sale	18500	0.04	
				7.09.2018	17500	Sale	1000	0.00	
				14.09.2018	6375	Purchase	7375	0.02	
				21.09.2018	(6575)	Sale	800	0.00	
				8.03.2019	(744)	Sale	56	0.00	
				15.03.2019	(56)	Sale	0	0.00	
	<b>31.03.2019</b>	-	-	-	-	-	-		
2	Religare Finvest Limited	915000	2.21	01.04.2018	-	-	915000	2.21	
				<i>No Change</i>					
				<b>31.03.2019</b>	-	-	<b>915000</b>	<b>2.21</b>	
3	Pradeep Kumar Jain	662686	1.60	01.04.2018	-	-	662686	1.60	
				22.06.2018	1000	Purchase	663686	1.61	
				24.08.2018	(1100)	Sale	662586	1.60	
				1.03.2019	7555	Purchase	670141	1.62	
				<b>31.03.2018</b>	-	-	<b>670141</b>	<b>1.62</b>	
4	Nishu Finlease Private Limited	440000	1.06	01.04.2018	-	-	440000	1.06	
				<i>No Change</i>					
				<b>31.03.2019</b>	-	-	<b>440000</b>	<b>1.06</b>	
5	A L Jain Overseas Private Limited	409820	0.99	01.04.2018	-	-	409820	0.99	
				<i>No Change</i>					
				<b>31.03.2019</b>	-	-	<b>409820</b>	<b>0.99</b>	
6	Lakhan Securities Private Ltd	40821	0.10	01.04.2018			40821	0.10	
				20-04-2018	(500)	Sale	40321	0.10	
				17-08-2018	376600	Purchase	416921	1.01	
				24-08-2018	(47000)	Sale	369921	0.90	
				21-09-2018	(800)	Sale	369121	0.89	
				05-10-2018	(2500)	Sale	366621	0.89	
				<b>31.03.2019</b>	-	-	<b>366621</b>	<b>0.89</b>	



6	Lakhan Securities Private Ltd	40821	0.10	01.04.2018			40821	0.10
				20-04-2018	(500)	Sale	40321	0.10
				17-08-2018	376600	Purchase	416921	1.01
				24-08-2018	(47000)	Sale	369921	0.90
				21-09-2018	(800)	Sale	369121	0.89
				05-10-2018	(2500)	Sale	366621	0.89
				<b>31.03.2019</b>	-	-	<b>366621</b>	<b>0.89</b>
7	Samrat Jain	312970	0.76	01.04.2018	-	-	312970	0.76
				<i>No Change</i>				
				<b>31.03.2019</b>	-	-	<b>312970</b>	<b>0.76</b>
8	Capital Finvest Limited	250000	0.61	01.04.2018	-	-	250000	0.61
				<i>No Change</i>				
				<b>31.03.2019</b>	-	-	<b>250000</b>	<b>0.61</b>
9	Rajat Corporate Management Private Limited	200000	0.48	01.04.2018	-	-	200000	0.48
				<i>No Change</i>				
				<b>31.03.2019</b>	-	-	<b>200000</b>	<b>0.48</b>
10	KMK Software & Exports Private Limited	200000	0.48	01.04.2018	-	-	200000	0.48
				<i>No Change</i>				
				<b>31.03.2019</b>	-	-	<b>200000</b>	<b>0.48</b>
11	Sanjay Jain	200000	0.48	01.04.2018	-	-	200000	0.48
				27.12.2018	(200000)	Sale	0	0
				<b>31.03.2019</b>	-	-	<b>0</b>	<b>0</b>
12	O J SECURITIES PVT LTD	0	0.00	01.04.2018	-	-	0	0.00
				17-08-2018	387100	Purchase	387100	0.94
				24-08-2018	(16000)	Sale	371100	0.90
				07-09-2018	(3500)	Sale	367600	0.89
				14-09-2018	(975)	Sale	366625	0.89
				05-10-2018	(100)	Sale	366525	0.89
				19-10-2018	(500)	Sale	366025	0.89
				09-11-2018	(100)	Sale	365925	0.89
				<b>31.03.2019</b>	-	-	<b>365925</b>	<b>0.89</b>
				13	DELFINA SECURITESPVT LTD	0	0.00	01.04.2018
17-08-2018	562100	Purchase	562100					1.36
24-08-2018	(16380)	Sale	545720					1.32
31-08-2018	(4450)	Sale	541270					1.31
07-09-2018	(5250)	Sale	536020					1.30
14-09-2018	(9150)	Sale	526870					1.28
19-10-2018	(500)	Sale	526370					1.27
09-11-2018	(100)	Sale	526270					1.27
<b>31.03.2019</b>	-	-	<b>526270</b>					<b>1.27</b>

13	DELFINA SECURITESPVT LTD	0	0.00	01.04.2018	-	-	0	0.00				
				17-08-2018	562100	Purchase	562100	1.36				
				24-08-2018	(16380)	Sale	545720	1.32				
				31-08-2018	(4450)	Sale	541270	1.31				
				07-09-2018	(5250)	Sale	536020	1.30				
				14-09-2018	(9150)	Sale	526870	1.28				
				19-10-2018	(500)	Sale	526370	1.27				
				09-11-2018	(100)	Sale	526270	1.27				
				<b>31.03.2019</b>	-	-	<b>526270</b>	<b>1.27</b>				
14	NANDLALA SECURITIES PVT LTD	8000	0.02	01.04.2018	-	-	8000	0.02				
				10-08-2018	(100)	Sale	7900	0.02				
				17-08-2018	517845	Purchase	525745	1.27				
				24-08-2018	(16166)	Sale	509579	1.23				
				14-09-2018	(3500)	Sale	506079	1.22				
				30-09-2018	(51500)	Sale	454579	1.10				
				19-10-2018	(500)	Sale	454079	1.10				
				09-11-2018	(100)	Sale	453979	1.10				
				08-03-2019	(956)	Sale	453023	1.10				
				15-03-2019	(1510)	Sale	451513	1.09				
				22-03-2019	(50)	Sale	451463	1.09				
				<b>31.03.2019</b>	-	-	<b>451463</b>	<b>1.09</b>				
				15	N S SALES AND DISTRIBUTORS PRIVATE LTD	0	0.00	01.04.2018	-	-	0	0.00
								17-08-2018	422100	Purchase	422100	1.02
24-08-2018	(16054)	Sale	406046					0.98				
31-08-2018	(4000)	Sale	402046					0.97				
07-09-2018	(750)	Sale	401296					0.97				
14-09-2018	(3300)	Sale	397996					0.96				
19-10-2018	(500)	Sale	397496					0.96				
09-11-2018	(100)	Sale	397396					0.96				
<b>31.03.2019</b>	-	-	<b>397396</b>					<b>0.96</b>				
16	PAWANSUT SECURITIES PRIVATE LTD	0	0.00	01.04.2018	-	-	0	0.00				
				17-08-2018	422100	Purchase	422100	1.02				
				24-08-2018	-15900	Sale	406200	0.98				
				14-09-2018	-2000	Sale	404200	0.98				
				19-10-2018	-500	Sale	403700	0.98				
				09-11-2018	-100	Sale	403600	0.98				
				<b>31.03.2019</b>	-	-	<b>403600</b>	<b>0.98</b>				

**v. Shareholding of Directors and Key Managerial Personnel:**

S. No	For each of the Directors & KMP	Shareholding at the beginning of the Year (As on 1 <sup>st</sup> April 2018)		Cumulative shareholding during the Year (As on 31 <sup>st</sup> March 2019)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1</b>	<b>Mr. Bhushan Kumar Narula, Managing Director</b>				
	At the beginning of the year	7040000	17.04	7040000	17.04
	Datewise increase/decrease in shareholding during the year	<i>No Change</i>			
	At the end of the Year			<b>7040000</b>	<b>17.04</b>
<b>2</b>	<b>Ms. Rita Narula, Whole Time Director</b>				
	At the beginning of the year	6256735	15.14	6256735	15.14
	Datewise increase/decrease in shareholding during the year	<i>No Change</i>			
	At the end of the Year			<b>6256735</b>	<b>15.14</b>
<b>3</b>	<b>Mr. Vineet Aggarwal, Independent Director</b>				
	At the beginning of the year	-	-	-	-
	Datewise increase/decrease in shareholding during the year	<i>No Change</i>			
	At the end of the Year			-	-
<b>4</b>	<b>Ms. Bhavana Sampath Kumar, Independent Director</b>				
	At the beginning of the year	-	-	-	-
	Datewise increase/decrease in shareholding during the year	<i>No Change</i>			
	At the end of the Year			-	-
<b>5</b>	<b>Mr. Karan Suri, Non-Executive Director</b>				
	At the beginning of the year	-	-	-	-
	Datewise increase/decrease in shareholding during the year	<i>No Change</i>			
	At the end of the Year			-	-
<b>6</b>	<b>Mr. Sanjay Bana, Chief Financial Officer</b>				
	At the beginning of the year	-	-	-	-
	Datewise increase/decrease in shareholding during the year	<i>No Change</i>			
	At the end of the Year			-	-
<b>7</b>	<b>Ms. Shefali Kesarwani, Company Secretary*</b>				
	At the beginning of the year	-	-	-	-
	Datewise increase/decrease in shareholding during the year	<i>No Change</i>			
	At the end of the Year			-	-

\* Ms. Shefali Kesarwani resigned from the post of Company Secretary w.e.f. 1 2<sup>th</sup> January 2019.

**VI. Indebtedness of the Company including interest outstanding/acrued but not due for payment**

(in Lakh)

Sr. No.	Particulars	Secured Loan	Unsecured Loan	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
1	Principal Amount	9.68	-	-	9.68
2	Interest due but not paid	-	-	-	-
3	Interest accrued but not due	-	-	-	-
	<b>Total (1+2+3)</b>	<b>9.68</b>	<b>-</b>	<b>-</b>	<b>9.68</b>
<b>Change in Indebtedness during the financial year</b>					
1	Addition	-	-	-	-
2	Reduction	(9.68)	-	-	(9.68)
3	Net Change	(9.68)	-	-	(9.68)
<b>Indebtedness at the end of the financial year</b>					
1	Principal Amount	-	-	-	-
2	Interest due but not paid	-	-	-	-
3	Interest accrued but not due	-	-	-	-
	<b>Total (1+2+3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

SNo.	Particulars of Remuneration	Name of Directors and Designation		Total Amount (in Rs.) per annum
		<b>Bhushan Kumar Narula, Managing Director (in Rs.) per annum</b>	<b>Rita Narula, Whole Time Director (in Rs.) per annum</b>	
1	<b>Gross salary</b>	12.00	540000	5,40,012
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission	-	-	-
4	As % of Profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>12.00</b>	<b>5,40,000</b>	<b>5,40,012</b>
	Ceiling as per the Act	Rs. 60 Lakhs as per Table A of Section II of Schedule V of Companies Act, 2013		

**B. Remuneration to other Directors**

SN.	Particulars of Remuneration	Name of Directors		Total Amount (in Rs.) per annum
1	<b>Independent Directors</b>	<b>Bhavana S. Kumar</b>	<b>Vineet Aggarwal</b>	
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	<b>Total (1)</b>	-	-	-
2	<b>Other Non-Executive Directors</b>	<b>Karan Suri, Director</b>		
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	<b>Total (2)</b>	-	-	-
	<b>Total (B)= (1+2)</b>	-	-	-
	<b>Total Managerial Remuneration(A+B)</b>	-	-	-
	Overall Ceiling as per the Act	Rs. 60 Lakhs as per Table A of Section II of Schedule V of Companies Act, 2013		

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD**

SN	Particulars of Remuneration			
		Shefali Kesarwani (Company Secretary) *	Sanjay Bana (CFO)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,90,516	4,53,420	6,43,936
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
5	others, specify	-	-	-
	Others, please specify	-	-	-
	<b>Total</b>	<b>1,90,516</b>	<b>4,53,420</b>	<b>6,43,936</b>

\* Ms. Shefali Kesarwani resigned from the post of Company Secretary w.e.f 13<sup>th</sup> January, 2019.

**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the SEBI Regulation/ Income tax act	Brief Description	Details of Penalty/Punishment /Compounding fees imposed	Authority (RD/NCLT/ Court	Appeal made if any (give details)
<b>A. COMPANY</b>					
<b>Penalty</b>	Section 143(2) of Income tax Act, 1961	The Return of Income for AY 17-18 had been selected for scrutiny. \$	-	-	-
<b>Punishment</b>					
<b>Compounding</b>					
<b>B. DIRECTORS</b>					
<b>Penalty</b>	Nil				
<b>Punishment</b>					
<b>Compounding</b>					
<b>C. OTHER OFFICERS IN DEFAULT -</b>					
<b>Penalty</b>	Nil				
<b>Punishment</b>					
<b>Compounding</b>					

\$ During the Financial Year 18-19, a notice dated 09<sup>th</sup>August, 2018 for Scrutiny under Section 143(2) of Income Tax Act, 1961 had been received in respect of return of Income for AY 17-18. We have submitted all documents required by the authority. The matter is under process.

There were no other penalties/ punishments/compounding of offences during the financial Year ended 31<sup>st</sup> March 2019.

**ANNEXURE - B****Form No. AOC-2**

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

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

- 1. Details of contracts or arrangements or transactions not at arm's length basis - Nil**
- 2. Details of contracts or arrangements or transactions at arm's length basis**

The details of material contracts or arrangement or transactions at arm's length basis for the year ended 31<sup>st</sup> March 2019 are as follows:

<b>S. No</b>	<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts / arrangements/transac tions</b>	<b>Amount paid as advances, if any:</b>
1.	Sukarma Finance Limited	Rent Received amounting to Rs. 66,000/-	As per terms and conditions of Agreement and contract	Nil
2.	Ms. Rita Narula (Whole Time Director)	Rent Paid amounting to Rs.1,20,000/-	As per terms and conditions of Agreement and contract	Nil
3.	Ms. Ridhi Suri (daughter of KMP)	Sale of gold and silver (goods) amounting to Rs. 4,56,829/-	-	Nil
4.	Xtrems Retails Private Limited	Purchase of gold and Silver (goods) amounting to Rs.1,39,050/- Sale of gold (goods) amounting to Rs. 1,46,775	-	Nil
5.	B.K. Narula HUF	Sale of gold and silver (goods) amounting to Rs.13,90,367/-	-	Nil
6.	Chik mik leasing & Investment Co Pvt Ltd	Sale of Assets (Property) amounting to Rs. 10,32,856/-	-	Nil

**For and on behalf of the Board of Directors**  
**For Orosil Smiths India Limited**

**Rita Narula**  
**Whole Time Director**  
**DIN: 00006096**  
**Apartment No. 501, Tower -22,**  
**Common Wealth Games**  
**Village Delhi 110092**

**B.K. Narula**  
**Chairman & Managing Director**  
**DIN: 00003629**  
**Apartment No. 501, Tower -22,**  
**Common Wealth Games**  
**Village Delhi 110092**

**Date: 10<sup>th</sup> August, 2019**  
**Place: New Delhi**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019**

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

**To,**  
**The Members,**  
**Orosil Smiths India Limited**  
**CIN: L74899DL1994PLC059341**  
**Hemkunt Chambers 89, Flat no. 620**  
**Nehru place New Delhi-110019**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Orosil Smiths India 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 our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2019 ('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 along with **Annexure A** attached to this report:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under, as amended till date;
- (iv) Foreign Exchange Management Act, 1999 and the rules/regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment & External Commercial Borrowings: **(Not Applicable 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended till date;



- (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period);**
- (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during Audit Period)**
- (h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (I) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during Audit Period);** and
- (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during Audit Period).**

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India ;
- (ii) The Listing Agreement as entered into by the Company with Bombay Stock Exchange (BSE) Limited;

During the period under review and as per the representations and clarifications made, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above **subject to the following observations,**

1. Pursuant to Section 203(4) of the Companies Act, 2013, vacancy created due to resignation of Company Secretary of the Company in January 2019, not filled-up by the Board at their meeting within a period of six months from the date of such vacancy, however new Company Secretary has been appointed before the date of issuance of this report. Also, due to non-appointment of Company Secretary within prescribed time limits, Financials Statement of the Company for the FY ended 31.03.2019 has not been signed by the Company Secretary, as required by Section 134 of the Companies Act, 2013.

**We 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 National Gem and Jewellery Authority (NGJA) Act No. 50 of 1993, Gems and Jewellery Export Promotion Council (GJEPC) and rules made there under, applicable specifically to the Company, however, currently company is not carrying on any business relating to Manufacturing of Jewelry.

Based on the information received and records maintained, **we further report that:**

- i. The Board of Directors of the Company has been 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,

- ii. Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on Agenda were sent 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.
- iii. All decisions at Board Meetings and Committee Meetings are carried out with requisite majority of the members of the Board or committees as the case may be. Further there is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board or Committee(s) thereof.

Based on the compliance mechanism established by the Company and on the basis of the Certificate(s) issued by Chief Executive Officer and Chief Financial Officer of the Company and taken on record by the Board of Directors at their meeting(s),

**We 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.

**We further report that** during the audit period the Company has no specific event/action having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, etc, except as follows:-

1. The Company has received representation/ letter from Promoter of the Company constituting 74.98% of total paid up equity Capital of the Company, expressing therein intention to sell majority stake of promoters in the Company to suitable buyer and may consider exit from the Company. Intention to sell the Company has been duly informed the BSE as well.

For **Kanchan Gupta & Associates**  
**Company Secretaries**

Sd/-

**Kanchan Gupta**

COP No. 19810)

ACSN o. 45470

Date: August 10, 2019,

Place: Delhi

## **Annexure-A**

**To,**  
**The Members,**  
**Orosil Smiths India Limited**  
CIN: L74899DL1994PLC059341  
Hemkunt Chambers 89, Flat no. 620  
Nehru place New Delhi-110019

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Also, we have been informed Labour law compliances are not applicable on the Company, due to number of employees are below 10.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Kanchan Gupta & Associates**  
**Company Secretaries**

Sd/-  
**Kanchan Gupta**  
COP No. 19810  
ACS No. 45470

Date: August 10, 2019,  
Place: Delhi

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Orosil Smiths India Limited  
620, Hemkunt Chambers,  
89, Nehru place, New Delhi 110019

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Orosil Smiths India Limited having CIN L74899DL1994PLC059341 and having registered office at 620, Hemkunt Chambers, 89, Nehru place, New Delhi 110019 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment
1	Mr. Bhushan Kumar Narula	00003629	01/06/1994
2	Ms. Rita Narula	00006096	01/06/1994
3	Ms. Bhavana Sampath Kumar	05260084	28/05/2012
4	Mr. Vineet Aggarwal	00539344	30/04/2015
5	Mr. Karan Suri	01193500	09/11/2016

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/s Kanchan Gupta & Associates**  
**Company Secretaries**

**Place: New Delhi**  
**Date: 10th August 2019**

**CS Kanchan Gupta**  
**ACS No. 45470**  
**COP No. 19810**

**MANAGING DIRECTOR/CEO AND CFO CERTIFICATION**

To

The Board of Directors

We, Bhushan Kumar Narula, Managing Director and Sanjay Bana, Chief Financial Officer certify that:

- a) We have reviewed the financial Results for the year ended 31<sup>th</sup> March, 2019 to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing 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 above said period which are fraudulent, illegal or violative of the Company's code of conduct.
- c)
  - i) There has not been any significant change in internal control over financial reporting during the period under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

**Sanjay Bana**  
**Chief Financial officer**  
**PAN No. AAHPB3698N**  
**Add: S-4, Plot No. 5/82, Rajinder Nagar,**  
**Sector-5, Sahibabad, Ghaziabad, 201005**

**B.K. Narula**  
**Managing Director**  
**DIN: 00003629**  
**Apartment No. 501, Tower-22,**  
**Common Wealth Games**  
**Village Delhi 110092**

**Date: 10<sup>th</sup> August, 2019**

**Place: New Delhi**

## ANNEXURE D

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year ended 31<sup>st</sup> March 2019: Mr. B.K. Narula, Managing Director receives a remuneration of Re. 1 per month and Ms. Rita Narula receives a remuneration of Rs. 45000 per month, hence the information is not comparable and not provided.

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S.NO.	Name of Director/KMP	Designation	% increase in remuneration during the financial year 2018-19
1	Mr. B.K. Narula	Managing Director	No Change
2	Ms. Rita Narula	Whole Time Director	No Change
4	Mr. Sanjay Bana	Chief Financial Officer	No Change
5	Ms. Shefali Kesarwani#	Company Secretary	N.A.

#Ms. Shefali Kesarwani resigned from the post of Company Secretary w.e.f 12<sup>th</sup> January 2019. Hence % increase in remuneration in FY 2019 is not applicable

1. The percentage increase in the median remuneration of employees in Financial Year: NIL
2. The no. of permanent employees on the rolls of Company as on March 31, 2019 was 7.
3. 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 managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Nil
4. It is hereby affirmed that the remuneration paid during the year is as per remuneration policy of the company.

For and on behalf of the Board of Directors  
For Orosil Smiths India Limited

Rita Narula  
Whole Time Director  
DIN: 00006096  
Apartment No. 501, Tower -22,  
Common Wealth Games  
Village Delhi 110092

B.K. Narula  
Chairman & Managing Director  
DIN: 00003629  
Apartment No. 501, Tower -22,  
Common Wealth Games  
Village Delhi 110092

Date: 10<sup>th</sup> August, 2019  
Place: New Delhi

# Management Discussion and Analysis Report

## **A. INDUSTRY STRUCTURE AND DEVELOPMENT**

Your Company is engaged in the manufacturing and sale of silver jewellery, gold jewellery as well as plain and trading of Silver Articles. The Company launched two brands by the name “Kuhjohl” and “Sincere” for semi-precious and precious stones studded in gold and silver. The management is planning to move forward in this business of Gold, silver and jewellery and other various steps to take forward the business of the company at greater heights.

## **B. OPPORTUNITY AND THREATS**

Your Company is looking forward for the great opportunity in this line of business of online providing platform of selling gold and Silver Jewellery. It can be a great boost to the financials of the company and in the same way the export markets as well as the domestic market are gaining momentum.

## **C. SEGMENT -WISE OR PRODUCT WISE PERFORMANCE**

The Company operates in only single segment. The Company is operating in two brands by the name “Kuhjohl” and “Sincere” for semi-precious and precious stones studded in gold and silver.

## **D. OUTLOOK**

The overall outlook of the Company has improved during the financial year 2018-19. Your Company is looking forward to the new opportunities in the Gem & Jewellery Sector to expand and diversify the business into new areas and looking for a bright future of the company.

## **E. RISK AND CONCERN**

The prices of the precious metals is the only matter of concern for the Company, otherwise there is no other risk as the global market is picking up and jewellery is always a value addition. The Company in order to identify and mitigate risks to minimize its impact on business, ensures that prudent risk management practices are followed during the decision-making process.

Moreover, any slowdown in the economic growth in India could cause the business of the Company to suffer. Recently, the growth of industrial production has been variable.

## **F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has maintained a proper and adequate system of internal controls. This ensures that all Assets are safeguarded and protected against loss from unauthorized use or disposition. The Audit Committee and Independent Internal Auditors regularly review the operating systems and procedures for efficiency and effectiveness.

Your company's internal control systems do commensurate with the nature and size of its business operations. The company's Policy and process corrections are undertaken based on inputs from the internal auditors.

**G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

During the year under review Financial performance of your Company involves the Income from operations which is Rs. 159.05 Lakh (Previous Year: Rs.375.66 Lakh).

Profit after Tax (PAT) has been a loss of Rs.49.18 Lakh as compared to a loss of Rs.3.14Lakh in previous year.

The directors are making efforts to enhance the business activities and are hopeful for good results in the coming year.

**H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

Your Company is continuously trying to retain the Competencies of Organizational talent, contributing towards the enhancement of business activities and success of the Company deeming the human resource are very much important for the success of the company.

The Company believes that its people are a key differentiator, especially in knowledge driven, competitive and global business environment. Adapting work culture to suit the dynamic balancing of people requirements and employee needs is an ongoing process. The Board of Directors of your company would like to place on record their sincere appreciation for the efforts and contribution made by all the employees of the Company in the challenging environment.

**I. Cautionary Statement**

Certain Statements in the Management Discussion and Analysis Report describing the Company's view about the industry, expectations, objectives, etc may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Factors like changes in government regulations, tax laws and other factors such as industrial relations and economic developments, etc. may further influence the Company's operations.

**For and on behalf of the Board of Directors  
For Orosil Smiths India Limited**

**Rita Narula  
Whole Time Director  
DIN: 00006096  
Apartment No. 501, Tower-22,  
Common Wealth Games  
Village Delhi 110092**

**B.K. Narula  
Chairman & Managing Director  
DIN: 00003629  
Apartment No. 501, Tower-22,  
Common Wealth Games  
Village Delhi 110092**

**Date: 10<sup>th</sup> August 2019  
Place: New Delhi**



## **Independent Auditor's Report**

**To  
The Members of  
Orosil Smiths India Limited**

### **Report on the Audit of Financial statements**

#### **Opinion**

We have audited the accompanying financial statements of **Orosil Smiths India Limited (“the Company”)** which comprises the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income) and cash flow statement and the statement of change of Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Company Act, 2013 (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 Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March, 2019 and Loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibility of Management and those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility for the Audit of the Financial statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143(3) of the Act, we report that:  
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.
  - a. 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.
  - b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - c. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - d. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - e. With respect to the adequacy of the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March, 2019 in conjunction with our audit of financial statement of the for the year ended on that date and on the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigation which may impact its financial position in its financial statements.
    - ii. The Company has made provision, as required under the applicable law or Ind-AS, for the material foreseeable losses, if any, any long-term contract including derivative contracts
    - iii. There has no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019.

**For PNG & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 021910N**

**Prabhat Kumar**  
**Partner**  
**Membership No.: 087257**  
**Place: Delhi**  
**Date: 27.04.2019**

## **Annexure - A to the Independent Auditors' Report**

Referred to in paragraph under "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **Orosil Smiths India Limited** on the accounts of the company for the year ended 31st March 2019.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

### **1. In respect of Property, Plant and Equipment**

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner during the year. In accordance with this program, all fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has held any immovable properties in the name of the Company.

### **2. In respect of Inventories**

The physical verification of inventory has been conducted at reasonable intervals by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

### **3. In respect of Loans given by the company**

According to the information and explanations given to us, the Company has not granted loans, secured and unsecured to companies, firms, limited liability partnerships or other parties in the register maintained under section 189 of the Companies Act, 2013 ("the Act") therefore reporting under paragraph 3(iii) is not applicable.

### **4. In respect of Loans to Directors and Investments made by the Company**

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

### **5. In respect of Deposits**

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed thereunder apply. Thus, paragraph 3(v) of the Order is not applicable to the Company.

### **6. In respect of maintenance of Cost Records**

The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the company's products. Thus, paragraph 3(vi) of the order is not applicable.

**7. In respect of Statutory Dues**

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service taxes, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, and other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no material dues of provident fund, income-tax, and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

**8. In respect of Repayment of Loan**

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution or bank or Government or dues to debenture holder as at the balance sheet date.

**9. In respect of utilization of IPO, further public offer & term loans**

According to the information and explanations given by management, during the year the company has not raised money by way initial public offer or further public offer (including debt instrument) and term loans and money utilized for that purpose they raised. Thus, this clause not applicable.

**10. In respect of Reporting of Fraud**

On the basis of verification of records and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

**11. In respect of approval of Managerial Remuneration**

Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provision of Section 197 of the Act read with Schedule V to the Act.

**12. In respect of reporting in a Nidhi Company**

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, reporting under paragraph 3(xii) of the Order is not applicable.

**13. In respect of Related Party Transactions**

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties have been entered into by the company in its ordinary course of business on an arm's length basis and therefore the provisions of section 177 and 188 of the Act are not applicable to the company, however the details of such transactions have been disclosed in the financial statements as required under Accounting Standard (Ind AS) 24 related party disclosures specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014.

**14. In respect of reporting of Private placement / preferential allotment of shares / debentures**

According to the records of Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Thus, compliance with provisions of clause (xiv) of paragraph 3 of the Order not applicable.

**15. In respect of reporting of Non-Cash Transactions**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly reporting under paragraph 3(xv) of the Order is not applicable

**For PNG & Co.  
Chartered Accountants  
Firm Registration No.: 021910N**

**Prabhat Kumar  
Partner  
Membership No.: 087257  
Place: Delhi  
Date: 27.04.2019**

## **Annexure - B to the Independent Auditors' Report**

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

#### **Opinion**

We have audited the internal financial controls over financial reporting of **Orosil Smiths India Limited** as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 31st March, 2019, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are 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 financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 issued by the ICAI.

**For PNG & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 021910N**

**Prabhat Kumar**  
**Partner**  
**Membership No.: 087257**

**Place: Delhi**  
**Date: 27.04.2019**



**OROSIL SMITHS INDIA LIMITED**

Regi. Add.: HEMKUNT CHAMBERS, FLAT NO. 620 89, NEHRU PLACE NEW DELHI DL 110019 IN

CIN L74899DL1994PLC059341

Balance Sheet as at 31 March 2019

(Amount in ₹)

Particulars	Notes	31 March 2019	31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	14,540,367	16,200,165
Other intangible assets	2	9,039	15,064
<b>Financial Assets</b>			
Investments	3	2,554,078	2,654,676
Other financial assets	4	154,237	154,237
<b>Total non-current assets</b>		<b>17,257,721</b>	<b>19,024,142</b>
<b>Current assets</b>			
Inventories	5	13,653,637	14,487,904
<b>Financial assets</b>			
Trade receivables	6	617,624	1,697,039
Cash and cash equivalent	7	481,819	203,623
Other Bank Balance	8	205,855	230,349
Other assets	9	301,594	326,971
Other current assets	10	1,495,568	2,728,179
<b>Total current assets</b>		<b>16,756,096</b>	<b>19,674,065</b>
<b>Total assets</b>		<b>34,013,819</b>	<b>38,698,209</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	11	52,200,000	52,200,000
Other equity			
Retained earnings	12	(35,408,268)	(30,152,842)
Other reserves	12	15,201,600	15,201,600
<b>Total equity</b>		<b>31,993,333</b>	<b>37,248,758</b>
<b>Non current liabilities</b>			
Long term provisions	13	303,560	307,432
<b>Total non current liabilities</b>		<b>303,561</b>	<b>307,432</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	425,000	967,580
Trade payables	15	-	67,956
Other current liabilities	16	1,281,468	88,317
Short term provisions	17	10,457	18,166
<b>Total current liabilities</b>		<b>1,716,926</b>	<b>1,142,019</b>
<b>Total liabilities</b>		<b>2,020,486</b>	<b>1,449,451</b>
<b>Total equity and liabilities</b>		<b>34,013,819</b>	<b>38,698,209</b>

**SIGNIFICANT ACCOUNTING POLICIES**

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The accompanying notes are integral part of these standalone financial statements

As per our Report of even date

For **PNG & CO.**

Chartered Accountants

Firm Registration Number: 021910N

For and on behalf of Board of Directors

**Sanjay Bana**

Chief Financial Officer

Add: S-4, Plot No. 5/82, Rajinder Nagar,

Sector-5, Sahibabad, Ghaziabad-201005, U.P.

**B.K.Narula**

Chairman and Managing Director

Din:00003629

Address: Apartment 501, Tower 22 Common,

Welath Games Village, Delhi-92

**Prabhat Kumar**

Partner

Membership No. 087257

Place: Noida

Date: 27.04.2019

Place: Noida

**Rita Narula**

Director

DIN:00006096

Address: Apartment 501, Tower 22 Common,

Welath Games Village, Delhi-92

**OROSIL SMITHS INDIA LIMITED**

Regi. Add.: HEMKUNT CHAMBERS, FLAT NO. 620 89, NEHRU PLACE NEW DELHI DL 110019 IN  
CIN L74899DL1994PLC059341

**Statement of Profit and Loss for the period ended 31 March 2019**

	Notes	31 March 2019 (Amount in ₹)	31 March 2018 (Amount in ₹)
<b>Income</b>			
Revenue from operations	18	15,904,895	37,566,049
Other income	19	85,819	109,305
<b>Total income (I)</b>		<b>15,990,714</b>	<b>37,675,354</b>
<b>Expenses</b>			
Cost of material Consumed	20	8,867,991	26,180,330
Purchase of Traded Goods	21	4,786,044	705,079
Change in Inventories of Finished Goods and Stock-in-trade	22	298,514	4,359,340
Employee benefits expense	23	1,374,394	1,620,989
Finance costs	24	58,033	148,123
Other Expenses	25	2,757,986	2,987,134
Depreciation and amortization	1&2	1,665,825	1,987,971
<b>Total expense (II)</b>		<b>19,808,786</b>	<b>37,988,966</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(3,818,072)</b>	<b>(313,612)</b>
Exceptional Items		1,100,389	
<b>Profit/(loss) before tax from continuing operations</b>		<b>(4,918,461)</b>	<b>(313,612)</b>
Income taxes			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	-
Deferred tax (credit)/charge		-	-
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>(Loss)/Profit for the year</b>		<b>(4,918,461)</b>	<b>(313,612)</b>
<b>Other Comprehensive Income</b>			
A (i) Item that will not be reclassified to profit or loss		(13,678)	19,116
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Item that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>Total Comprehensive Income for the year</b>		<b>(4,932,139)</b>	<b>(294,496)</b>
<b>Earning per equity share of ₹ 10 each (for continuing operation)</b>			
Basis (₹)	-	0.12	- 0.01
Diluted (₹)			
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	26		

The accompanying notes are integral part of these standalone financial statements

As per our Report of even date

For **PNG & CO.**

Chartered Accountants

Firm Registration Number: 021910N

**Prabhat Kumar**

Partner

Membership No. 087257

Place: Noida

Date: 27.04.2019

For and on behalf of Board of Directors

**Sanjay Bana**

Chief Financial Officer

Place: Noida

**B.K.Narula**

Chairman and Managing Director

Din:00003629

**Rita Narula**

Director

DIN:00006096

**OROSIL SMITHS INDIA LIMITED**

Regi. Add.: HEMKUNT CHAMBERS, FLAT NO. 620 89, NEHRU PLACE NEW DELHI DL 110019 IN  
CIN L74899DL1994PLC059341

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2019**

(Amount in ₹)

	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before exceptional item and tax as per statement of profit and loss</b>	(4,918,461)	(313,612)
Adjustments for:		
Depreciation and amortization expenses	1,665,825	1,987,971
Other Comprehensive Income	86,920	19,116
Finance cost	58,033	148,123
Interest Income	(18,275)	(16,905)
Income tax receivable written off	(323,287)	-
<b>Operating profit before working capital changes</b>	<b>(3,449,245)</b>	<b>1,824,693</b>
Adjustments for:		
(Increase)/decrease in trade & other receivables	1,079,416	(1,047,037)
(Increase)/decrease in other assets	1,257,989	(517,495)
(Increase)/decrease in other liabilities	1193151.08	(233,208)
(Increase)/decrease in inventories	834,267	3,737,492
(Increase)/decrease in trade & other payable	(67,956)	(2,514,089)
(Increase)/decrease in provisions	(11,581)	45,702
	<b>836,041</b>	<b>1,296,059</b>
Less: Direct tax paid (net of refund)	-	-
	836,041	1,296,059
Less: Exceptional items	-	-
<b>Net cash flows (used in)/ generated from operating activities after exceptional items</b>	<b>836,041</b>	<b>1,296,059</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest received	18,275	16,905
Purchase of property, plant and equipment	-	-
Sale of Investment	-	-
<b>Net cash flows (used in)/ generated from investing activities</b>	<b>18,275</b>	<b>16,905</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from long term borrowings	-	(967,411)
Proceeds from short term borrowings	(542,580)	(227,128)
Dividend paid	-	-
Interest paid	(58,033)	(148,123)
<b>Net cash flows (used in)/ generated from financing activities</b>	<b>(600,614)</b>	<b>(1,342,662)</b>
<b>Net Increase/(Decrease) in Cash and Bank balance</b>	<b>253,702</b>	<b>(29,698)</b>
Add: Cash and cash equivalence at beginning of the year	433,972	463,670
Cash and cash equivalence at end of the year	<b>687,674</b>	<b>433,972</b>
	(0.00)	
<b>Cash and Cash Equivalence as per above comprises of the following</b>		
	31.03.2019	31.03.2018
Cash and Cash Equivalence (Refer Note 5b&5c)	687,674	433,972

The accompanying notes are integral part of these standalone financial statements

**Notes:**

1 The cash flow statement has been prepared under the Indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

As per our Report of even date

For and on behalf of Board of Directors

**For PNG & CO.**

Chartered Accountants  
Firm Registration Number: 021910N

**Sanjay Bana**  
Chief Financial Officer

**B.K.Narula**  
Chairman and Managing Director  
Din:00003629

**Prabhat Kumar**  
Partner  
Membership No. 087257  
Place: Noida  
Date: 27.04.2019

Place: Noida

**Rita Narula**  
Director  
DIN:00006096

**OROSIL SMITHS INDIA LIMITED**

Regi. Add.: HEMKUNT CHAMBERS, FLAT NO. 620 89, NEHRU PLACE NEW DELHI DL 110019 IN  
CIN L74899DL1994PLC059341

**Statement of Changes in Equity for the period ended 31 March 2019**

<b>12. Statement of Changes in Equity Share</b>		<b>(Amount in ₹)</b>
	<b>Notes</b>	<b>Amount</b>
<b>As at 1st April, 2017</b>		<b>41,316,000</b>
Changes in equity share capital		-
<b>As at 1st April, 2018</b>		<b>41,316,000</b>
Changes in equity share capital		-
<b>As at 1st April, 2019</b>		<b>41,316,000</b>

<b>Statement of Changes in Preference Share</b>		<b>(Amount in ₹)</b>
	<b>Notes</b>	<b>Amount</b>
<b>As at 1st April, 2017</b>		<b>10,884,000</b>
Changes in Preference share capital		-
<b>As at 1st April, 2018</b>		<b>10,884,000</b>
Changes in Preference share capital		-
<b>As at 1st April, 2019</b>		<b>10,884,000</b>

<b>Statement of Changes in Other Equity</b>							<b>(Amount in ₹)</b>
	<b>Reserve and Surplus</b>	<b>Capital Reserve</b>	<b>Securities premium account</b>	<b>General Reserves</b>	<b>Retained Earning</b>		<b>Total</b>
<b>Balance as at 1st April, 2017</b>	-	4,317,600	10,884,000		(29,858,346)		(14,656,746)
Profit for the year	-	-	-	-	(313,612)		(313,612)
Other Comprehensive Income for the year	-	-	-	-	19,116		19,116
<b>Total Comprehensive Income for the year</b>	-	-	-	-	(294,496)		(294,496)
Transferred to General Reserve	-	-	-	-	-		-
Transferred from Retained Earning	-	-	-	-	-		-
<b>Balance as at 31st March, 2018</b>	-	4,317,600	10,884,000	-	(30,152,842)		(14,951,242)
<b>Balance as at 1st April, 2018</b>	-	4,317,600	10,884,000		(30,152,842)		(14,951,242)
Profit for the year	-	-	-	-	(4,918,461)		(4,918,461)
Prior Period Expense	-	-	-	-	(323,287)		(323,287)
Other Comprehensive Income for the year	-	-	-	-	(13,678)		(13,678)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	(5,255,426)		(5,255,426)
Transferred to General Reserve	-	-	-	-	-		-
Transferred from Retained Earning	-	-	-	-	-		-
<b>Balance as at 31st March, 2019</b>	-	4,317,600	10,884,000	-	(35,408,268)		(20,206,668)

The accompanying notes are integral part of these standalone financial statements

As per our Report of even date

For **PNG & CO.**  
Chartered Accountants  
Firm Registration Number: 021910N

For and on behalf of Board of Directors

**Sanjay Bana**  
Chief Financial Officer

**B.K.Narula**  
Chairman and Managing Director  
Din:00003629

**Prabhat Kumar**  
Partner  
Membership No. 087257  
Place: Noida  
Date: 27.04.2019

Place: Noida  
Date: 27.04.2019

**Rita Narula**  
Director  
DIN:000006096

**OROSIL SMITHS INDIA LIMITED**

Regl. Add.: HEWIKUNT CHAMBERS, FLAT NO. 620 89, NEHRU PLACE NEW DELHI DL 110019 IN  
CIN L74899DL1994PLC059341

Notes to Financial Statements for the period ended 31 March 2019

**1. Property, plant and equipment**

Particulars	COST				DEPRECIATION			WDV	
	Total As on 01.04.2018	Addition	Sales / Disposal	Total As on 31.03.2019	As On 1.04.2018	For the year	Total As On 31.03.2019	As on 31.03.2019	As on 31.03.2018
	(Amount in ₹)								
Gross Carrying amount Deemed cost as at 1st April, 2016									
<b>Tangible Assets</b>									
Land	4,152,041	-	-	4,152,041	-	-	-	4,152,041	4,152,041
Building	22,607,499	-	-	22,607,499	16,171,115	643,638	16,814,753	5,792,745	6,436,384
Lease Hold Improvements	1,141,237	-	-	1,141,237	1,141,237	-	1,141,237	-	-
Plant & Machinery	13,527,875	-	-	13,527,875	10,937,251	360,356	11,297,607	2,230,268	2,590,624
Furniture & Fittings	9,021,617	-	-	9,021,617	8,316,716	127,587	8,444,303	577,314	704,901
Vehicle	6,201,585	-	-	6,201,585	4,493,927	441,942	4,935,869	1,265,717	1,707,658
Office Equipments	6,879,695	-	-	6,879,695	6,277,371	83,783	6,361,154	518,541	602,324
Computers	2,155,651	-	-	2,155,651	2,149,418	2,493	2,151,911	3,740	6,233
<b>Total</b>	<b>65,687,200</b>	<b>-</b>	<b>-</b>	<b>65,687,200</b>	<b>49,487,035</b>	<b>1,659,800</b>	<b>51,146,834</b>	<b>14,540,367</b>	<b>16,200,165</b>
<b>Previous Year</b>	<b>65,687,200</b>	<b>-</b>	<b>-</b>	<b>65,687,200</b>	<b>47,509,107</b>	<b>1,977,928</b>	<b>49,487,035</b>	<b>16,200,165</b>	<b>18,178,093</b>

**2. Other intangible assets**

Particulars	COST				DEPRECIATION			WDV	
	Total As on 01.04.2018	Addition	Sales / Disposal	Total As on 31.03.2019	As On 1.04.2018	For the year	Total As On 31.03.2019	As on 31.03.2019	As on 31.03.2018
	(Amount in ₹)								
<b>Intangible Assets</b>									
Web Portal	3,701,140	-	-	3,701,140	3,688,242	5,159	3,693,401	7,739	12,898
Softwares	1,524,830	-	-	1,524,830	1,522,664	866	1,523,530	1,300	2,166
<b>Total</b>	<b>5,225,970</b>	<b>-</b>	<b>-</b>	<b>5,225,970</b>	<b>5,210,906</b>	<b>6,026</b>	<b>5,216,932</b>	<b>9,039</b>	<b>15,064</b>
<b>Previous Year</b>	<b>5,225,970</b>	<b>-</b>	<b>-</b>	<b>5,225,970</b>	<b>5,200,863</b>	<b>10,043</b>	<b>5,210,906</b>	<b>15,064</b>	<b>25,107</b>

**OROSIL SMITHS INDIA LIMITED**

Regi. Add.: HEMKUNT CHAMBERS, FLAT NO. 620 89, NEHRU PLACE NEW DELHI DL 110019 IN

CIN L74899DL1994PLC059341

**Notes to Financial Statements for the period ended 31 March 2019**

		(Amount in ₹)	
		31 March 2019	31 March 2018
	<b>Non Current Financial assets</b>		
<b>3</b>	<b>Investment</b>		
	<b>Investment in Equity</b>		
	Sridhi Infra Pvt. Ltd. (Unquoted share 3200000 of Rs.1 each)	2,513,287	2,609,571
	Citizen Co-Operative Bank Ltd. (Unquoted share 800 of Rs 10 Each)	40,791	45,105
		<b>2,554,078</b>	<b>2,654,676</b>
<b>4</b>	<b>Other financial assets</b>		
	<b>Unsecured and considered goods</b>		
	Security Deposits	154,237	154,237
		<b>154,237</b>	<b>154,237</b>
<b>5</b>	<b>Inventories</b>		
	Raw Material	3,440,855	3,976,608
	Finished Goods	10,212,783	10,511,296
		<b>13,653,637</b>	<b>14,487,904</b>
	<b>Current Financial Assets</b>		
<b>6</b>	<b>Trade receivables</b>		
	<b>Unsecured and considered goods</b>		
	Trade Receivables	617,624	1,697,039
	Receivables from related parties	-	-
		<b>617,624</b>	<b>1,697,039</b>
<b>7</b>	<b>Cash and cash equivalent</b>		
	Cash in hand	481,819	203,623
		<b>481,819</b>	<b>203,623</b>
<b>8</b>	<b>Other Bank balance</b>		
	Balances with banks:		
	– On current accounts	(68,828)	(31,713)
	– On deposit accounts	274,684	262,062
		<b>205,855</b>	<b>230,349</b>
<b>9</b>	<b>Other Assets</b>		
	<b>Unsecured and considered goods</b>		
	Staff Advance	25,251	33,000
	Advance to supplier	276,343	293,971
		<b>301,594</b>	<b>326,971</b>
<b>10</b>	<b>Other current assets</b>		
	<b>Unsecured and considered goods</b>		
	Income Tax	3,511	324,970
	GST Input Receivable	300,250	180,818
	Prepaid Expenses	58,951	77,771
	Others	1,132,857	2,144,620
		<b>1,495,568</b>	<b>2,728,179</b>

**OROSIL SMITHS INDIA LIMITED**

Regi. Add.: HEMKUNT CHAMBERS, FLAT NO. 620 89, NEHRU PLACE NEW DELHI DL 110019 IN  
CIN L74899DL1994PLC059341

**Notes to Financial Statements for the period ended 31 March 2019**

(Amount in ₹)

**11 Share Capital**

	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>a. Authorised Share Capital</b>		
44,116,000 equity shares of Rs.1 each	44,116,000	44,116,000
10,88,400 Preference shares of Rs.10 each	10,884,000	10,884,000
	<b>55,000,000</b>	<b>55,000,000</b>
<b>b. Issued equity capital</b>		
<b>Equity shares of Rs. 10 each issued, subscribed and fully paid</b>		
41,316,000 equity shares of Rs. 1 each	41,316,000	41,316,000
Issued during the year	-	-
	<b>41,316,000</b>	<b>41,316,000</b>
10,88,400 Preference shares of Rs. 10 each	10,884,000	10,884,000
Issued during the year	-	-
	<b>10,884,000</b>	<b>10,884,000</b>
	<b>52,200,000</b>	<b>52,200,000</b>

**c. Reconciliation of the shares outstanding at the beginning and at the end of the year**

	<b>31 March 2019</b>		<b>31 March 2018</b>	
	<b>Nos.</b>	<b>Amount</b>	<b>Nos.</b>	<b>Amount</b>
At the beginning of the year	41,316,000	41,316,000	41,316,000	41,316,000
Issued during the year	-	-	-	
At the end of the year	<b>41,316,000</b>	<b>41,316,000</b>	<b>41,316,000</b>	<b>41,316,000</b>

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

	<b>31 March 2019</b>		<b>31 March 2018</b>	
	<b>Nos.</b>	<b>Amount</b>	<b>Nos.</b>	<b>Amount</b>
At the beginning of the year	1,088,400	10,884,000	1,088,400	10,884,000
Issued during the year	-	-		
At the end of the year	<b>1,088,400</b>	<b>10,884,000</b>	<b>1,088,400</b>	<b>10,884,000</b>

**d. Terms/ rights attached to equity shares**

The Company has one class of equity shares having par value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share.

**Terms/ rights attached to Preference shares**

The company has issued 10,88,400,3.5% Optional Convertible Cumulative Preference Share ("OCCPS") of face value Rs. 10/- each at a premium of Rs. 10/- each, convertible after 5 years from the date of issue. However, OCCPS holders does not have an option to convert into equity share at an earlier date. The OCCPS Share holders have a right to receive dividend prior to the equity share holder. The dividend proposed by the Borard of Directors if any on the OCCPS is subject to the approval of the shareholders at the Annual general meeting, except in case of intrim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution to all preference shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders.

**OROSIL SMITHS INDIA LIMITED**

Regi. Add.: HEMKUNT CHAMBERS, FLAT NO. 620 89, NEHRU PLACE NEW DELHI DL 110019 IN  
CIN L74899DL1994PLC059341

**Notes to Financial Statements for the period ended 31 March 2019**

**e. Details of shareholders holding more than 5% shares in the company**

	31 March 2019		31 March 2018	
	Nos.	% Holding	Nos.	% Holding
B. K. Narula	7,040,000	17.04%	7,040,000	17.04%
B. K. Narula (HUF)	4,818,465	11.66%	4,818,465	11.66%
Rita Narula	6,256,735	15.14%	6,256,735	15.14%
Sidhi Narula	2,977,070	7.21%	2,977,070	7.21%
Ridhi Narula	2,711,500	6.56%	2,711,500	6.56%
O.J.Financial Services Limited	-	0.00%	2,820,345	6.83%
Sukarma Finance Ltd.	5,392,175	13.05%	5,392,175	13.05%

		(Amount in ₹)	
		31 March 2019	31 March 2018
<b>13</b>	<b>Long term provisions</b>		
	Provision for leave encashment	37,801	51,787
	Provision for gratuity	265,759	255,645
		<b>303,560</b>	<b>307,432</b>
<b>14</b>	<b>Borrowings</b>		
	<b>current Borrowings</b>		
	Term Loan from Bank	-	967,580
	From Director	425,000	
		<b>425,000</b>	<b>967,580</b>
<b>15</b>	<b>Trade Payable</b>		
	Trade payable	-	67,956
		-	<b>67,956</b>
<b>16</b>	<b>Other current Liabilities</b>		
	Duties & Taxes	4,250	-
	Other Liability	77,218	88,317
	Advance From Customers	1,200,000	-
		<b>1,281,468</b>	<b>88,317</b>
<b>17</b>	<b>Short term provisions</b>		
	Provision for leave encashment	2,641	3,220
	Provision for gratuity	7,816	14,947
		<b>10,457</b>	<b>18,166</b>



**Notes to Financial Statements for the period ended 31 March 2019**

		(Amount in ₹)	
		31 March 2019	31 March 2018
<b>18. Revenue from operations</b>			
Sale of Product		15,731,895	37,440,049
Service Income		173,000	126,000
		<b>15,904,895</b>	<b>37,566,049</b>
<b>19. Other income</b>			
Interest Income		18,275	16,826
Interest on Income tax refund		-	79
Rental Income		66,000	66,000
Liabilities written Back		1,544	-
Miscellaneous income		-	26,400
		<b>85,819</b>	<b>109,305</b>
<b>20. Cost of materials consumed</b>			
<b>Opening Stock</b>			
Raw Materials		3,976,608	3,354,760
		<b>3,976,608</b>	<b>3,354,760</b>
<b>Add : Purchase</b>			
Raw Materials		8,311,221	26,776,028
Consumables		21,016	26,150
		<b>8,332,237</b>	<b>26,802,178</b>
<b>Less : Closing Stock</b>			
Raw Materials		3,440,855	3,976,608
		<b>3,440,855</b>	<b>3,976,608</b>
<b>Cost of Materials Consumed</b>		<b>8,867,991</b>	<b>26,180,330</b>
<b>21. Purchase of Stock-in-trade</b>			
Purchase		4,786,044	705,079
		<b>4,786,044</b>	<b>705,079</b>
<b>22. Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>			
Inventories at the end of the year			
Finished Goods		10,212,783	10,511,296
		<b>10,212,783</b>	<b>10,511,296</b>
Inventories at the beginning of the year			
Finished Goods		10,511,296	14,870,636
		<b>10,511,296</b>	<b>14,870,636</b>
Net (Increase) / Decrease		<b>298,514</b>	<b>4,359,340</b>

**OROSIL SMITHS INDIA LIMITED**

Regi. Add.: HEMKUNT CHAMBERS, FLAT NO. 620 89, NEHRU PLACE NEW DELHI DL 110019 IN  
CIN L74899DL1994PLC059341

**Notes to Financial Statements for the period ended 31 March 2019**

	(Amount in ₹)	
	31 March 2019	31 March 2018
<b>23. Employee benefits expense</b>		
Salaries, wages and bonus	1,333,735	1,573,921
Staff welfare expenses	40,659	47,068
	<b>1,374,394</b>	<b>1,620,989</b>
<b>24. Finance costs</b>		
Interest on borrowings	48,012	128,948
Bank Charges	10,021	19,175
	<b>58,033</b>	<b>148,123</b>
<b>25. Other expenses</b>		
Payment to auditor's		
-Tax Audit	15,000	15,000
- Statutory Audit	57,500	50,000
Communication expenses	93,819	90,105
Director's Remuneration	540,012	540,012
Director's Meeting Expenses	31,316	57,297
Electricity & water Charges	336,598	331,880
Freight & Forwarding Expenses	-	14,500
Insurance	101,769	111,140
Bad debts	900	54,442
Other Interest	245	1,597
ROC Fees	5,900	16,200
Other Fees	1,600	63,002
Office maintenance	178,664	185,115
Provision for Gratuity and leave encashment	75,340	64,817
Repair & maintenance other	70,025	44,565
Rent	120,000	120,000
Printing & Stationery	50,070	50,241
Service Tax W/off	-	5,937
Legal & professional charges	120,950	69,250
Membersheep fees & Subscription	283,650	276,500
Vehicle Running & maint.	189,967	331,326
Sales Promotion and marketing Expenses	141,638	158,647
Security charges	288,000	285,000
Short & excess	(32)	870
Traveling and conveyance	6,554	9,681
Vat appeal Fees	2,815	10,007
Web Hosting	19,240	22,638
Miscellaneous expenses	26,445	7,364
	<b>2,757,986</b>	<b>2,987,134</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March, 2019

### Note:- 26 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### I. Background

Orosil Smiths India Limited was incorporated in June 01, 1994 as per Companies Act,1956, The Company is operating in Gems and Jewellery sector.

#### II. Significant Accounting Policies followed by the Company

##### (a) Basis of preparation

###### (i) Compliance with Ind AS

These financial statement have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standard) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

###### (ii) Historical cost convention

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

- 1) Certain financial assets and liabilities that are measured a fair value;
- 2) Assets held for sale – measured at lower of carrying amount or fair value less cost to sell;
- 3) Defined benefit plans – plan assets measures at fair value;

###### (iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

###### (iv) Rounding of amounts

All amount is closed in the financial statements and notes have been rounded off to the nearest Rupees as per the requirement of Schedule III, unless otherwise stated.

##### (b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factor (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual result and estimates are recognized in the period in which the results are known/materialized.

The said estimates are based on the facts and event, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

##### (c) Property, plant and equipment

The Company had applied for the onetime transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under Ind AS. Hence regarded as historical cost.

Freehold Land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

#### **Depreciation methods, estimated useful lives and residual value**

Depreciation on Building, Plant and Equipment, is provided on a pro-rata basis on written Down Value Method (WDV) over the estimated useful life of assets. Leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the period of lease or estimated useful life, whichever is lower. The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act. The residual values are not more than 5% of the original cost of the assets. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. In case of pre-owned assets, the useful life is estimated on a case to case basis. Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of Profit and Loss.

#### **(d) Intangible Assets**

Software are stated at cost, less accumulated amortization and impairments, if any. Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of Profit and Loss.

#### **(e) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institution, 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 subjected to an insignificant risk of changes in value.

#### **(f) Inventories**

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realizable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

#### **(g) Investments and other financial assets**

##### **(i) Classification**

The company classifies its financial assets in following measurement categories:

(1) Those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

(2) Those measured at amortized cost.

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

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value, Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

**Equity instruments:**

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value either through other comprehensive income, or through the Statement of Profit and Loss

**(iii) Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(iv) Significant Estimates:** The carrying value of exposure is determined by an independent valuer. The company uses judgement to select from variety of methods and make assumptions which are mainly based on market conditions existing at the end of each reporting period.

**(h) Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if event or changing circumstances indicate that they might be impaired. Other assets are tested for impairment whenever event or changing circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purpose of assessing impairment assets are grouped at the lowest level 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 unit). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(i) Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognized.

**(j) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable

income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. 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 excepted to apply when the related deferred income tax assets 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 assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of Profit and 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.

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

#### **Tax expenses recognized in the Statement of Profit and Loss**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2019</b>	<b>Year ended 31<sup>st</sup> March, 2018</b>
<b>Current Tax</b>		
Current tax on taxable income for the year	NIL	NIL
<b>Total current tax expense</b>	Nil	NIL
<b>Deferred tax</b>		
Deferred tax charge/(credit)	NIL	NIL
MAT credit (taken)/utilized	NIL	NIL
<b>Total deferred income tax expenses/(benefit)</b>	NIL	NIL
Tax in respect of earlier years	NIL	NIL
<b>Total income tax expenses</b>	<b>NIL</b>	<b>NIL</b>

#### **(k) Manufacturing & Operating expenses**

The company classifies separately manufacturing and operating expenses which are directly linked to manufacturing and service activities of the group.

#### **(l) Borrowings**

Borrowing are initially recognized at net of transaction costs incurred and measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference share, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference share is recognized in Statement of Profit and Loss as finance costs.

**(m) Segment Reporting**

The Company operates under single operating segment and hence requirement of Segment reporting is not applicable.

**(n) Borrowing Costs**

Borrowing cost directly attributable to the acquisition, construction or production of qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period which they are incurred and reported in finance costs.

**(o) Provisions and contingent liabilities**

Provisions are recognized only when there is present obligation, as a result of past event, and when a reliable estimate of amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized. However, when inflow of economic benefit is probable, related asset is disclosed.

**(p) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from services are recognized as per the contractual arrangement.

**Other Income**

Interest Income: Interest income is recognized on the time proportion basis taking into account outstanding and the rate applicable.

**(q) Post-employment, long term and short-term employee benefits**

Defined contribution plans

Provided fund: Contribution towards provided fund for certain employee is made to the regulatory authorities, where the company has no further obligation. Such benefits are classified as Defined contribution schemes as the company does not carry and further obligation, apart from the contribution made on a monthly basis.

**Defined benefit plans**

Gratuity is post-employment benefit defined under The Payment of Gratuity Act, 1972 and in the nature of defined benefit plan. The liability is recognized in the financial statement in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumption are credit or charged to statement of OCI in the year in which such gains or losses are determined.

Other long-term employee benefits

Liability in respect of compensated absence is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit cost method.

Actuarial gains and losses arising from past experience and changes in actuarial assumption are charged to statement of profit & loss in the year in which such gains or losses are determined.

Short-term employee benefits

Expenses in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which service rendered by the employee.

**(r) Foreign currency transaction**

**(i) Functional and presentation currency**

The financial statement is presented in Indian rupee (INR), Which is Company's function and presentation currency.

**(ii) Transaction and balances**

Transaction in foreign currencies is recognized at the prevailing exchange on the transaction dates. Realized gains and losses on settlement of foreign currency transaction are recognized in the statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rate and resultant exchange difference is recognized in Statement of Profit and Loss.

**(s) Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognized is based on assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**(t) Earnings per share**

Basis earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholder (after deducting attributable taxes) by the weighted average number of equity share outstanding during the period.

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

**(u)** The preparation of company's financial statements requires management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets, and liabilities, and related disclosures.

*Significant management judgements and estimates:*

The following are significant management's judgments and estimates in applying the accounting policies of the company that have the most significant effect on the financial statements.

- 1) Deferred tax assets recognition is based on an assessment of the probability of future taxable income against which the deferred tax assets can be utilized.
- 2) The evaluation of applicability of indicators of impairment of assets require assessments of several external and internal factors which could result in deterioration of recoverable amount of the assets.



- 3) At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.
- 4) Management's estimates of the Defined Benefit Obligation (DBO) is based on a number of critical assumptions such as standard rates of inflation, discount rate and anticipation of future salary increase. Variation in this assumption may significantly impact the DBO amount and the annual defined benefit expenses.
- 5) Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instruments. The management uses the best information available. Estimated fair values may vary from the actual price that would be achieved in an arm's length transaction at the reporting date.
- 6) Management reviews its estimates of useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence.

### **23. Contingent Liabilities**

The company has given Bank Guarantee to Sales Tax authorities amounting to Rs. 274,683/-As at March 31, 2019 (Previous year Rs. 262062/-).

### **24. Related Party Disclosures**

#### **(A) List of Related Parties and Relationship Associates**

Sukarma Finance Ltd.

#### **Key Management Personnel**

Mr. B.K. Narula, Managing Director

Mrs. Rita Narula, Whole Time Director

Mrs. Bhavana Sampath Kumar, Director

Mr. Vineet Aggarwal, Director

Mr. Karan Suri, Director

Mrs. Shefali Kesarwani, Company Secretary (Resigned on 13.01.2019)

Mr. Sanjay Bana, CFO

#### **Relative of key Management Personnel**

Ms. Ridhi Suri

#### **Entities over which key Management Personnel are able to exercise significant influence**

B. K. Narula (HUF)

Xtrems Retails Ltd.

Sridhi Infra Pvt. Ltd.

Chik Mik Leasing & Investment Co. Pvt. Ltd.

**(A) The following transaction were carried out with related party in the ordinary course of business**

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
<b>Remuneration</b>	In Rs.	In Rs.
Mr. B.K. Narula	12	12
Mrs. Rita Narula	5,40,000	5,40,000
<b>Director Sitting Fees</b>		
Mrs. Bhavana Sampath Kumar	NIL	10,000
Mr. karan Suri	NIL	2,500
<b>Salary, Bonus &amp; Conveyance</b>		
Mr. Sanjay Bana	4,53,420	4,53,420
Mrs Kanchan Gupta	NIL	1,70,093
Mrs. Shefali Kesarwani	1,90,516	69,435
<b>Rent paid</b>		
Mrs. Rita Narula	1,20,000	1,20,000
<b>Rent Received</b>		
Sukarma Finance Ltd.	66,000	66,000
<b>Advance from customer</b>		
B.K.Narula (HUF)	12,00,000	NA
<b>Loan taken</b>		
Reeta Narula	425,000	NA
B.K.Narula (HUF)	NIL	1,00,000
<b>Loan Repayment</b>		
B.K.Narula (HUF)	NIL	2,50,000
<b>Sales</b>		
B.K.Narula (HUF)	13,90,367	18,02,000
Mrs. Rita Narula	NIL	11,46,533
Ms. Ridhi Suri	4,56,829	5,93,982
Xtrems Retails Ltd	146775	1,21,359
<b>Purchase</b>		
Xtrems Retails Ltd	1,39,050	1,89,719
<b>Sale of assets</b>		
Chik mik leasing & Investment Co Pvt Ltd	10,32,856	NA

**25. Capital and other Commitment**

There are no Capital and other commitment outstanding as at March 31, 2019.

<b>26. Remuneration to Director</b>	Current Year	Previous Year
	5,40,012/-	5,40,012/-
<b>27. Amount Paid to Auditors</b>	Current Year	Previous Year
(a) As Audit Fees	57,500/-	50,000/-
(b) For other service	15,000/-	15,000/-

**28. Earning per Share**

<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Number of share outstanding during the year	4,13,16,000	4,13,16,000
Net profit after tax available for equity Shareholder (rupees)	(49,18,461)	(3,13,612)
Basis/Diluted earning per equity share (in Rupees)	(0.12)	(0.01)

## 29. Employee Benefits

### Defined Benefits plan

#### (i) Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employee who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basis salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The scheme is unfunded.

The following table summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the amount recognized in the balance sheet.

Particulars	Gratuity Benefits	
	As at 31 March 2019	As at 31 March 2018
Total Expenses recognized in the Statement of profit & Loss	66,956/-	56,799/-
Actual contribution and benefit payments for year		
Actual benefit payments	-	-
Actual contributions	-	-
Other comprehensive (income)/ expenses	(63,972/-)	(20,683/-)
Net Asset / (liability) recognized in the Balance Sheet (opening)	(2,70,591/-)	(2,34,475/-)
Present value of defined benefit obligation	-	-
Fair value of plan assets	-	-
Funded status [surplus / (Deficit)]	-	-
Unrecognized past service costs	-	-
Net assets / (liability) recognized in the Balance Sheet	(2,73,575/-)	(2,70,591/-)

#### Actuarial assumption used

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.83%	7.75%
Salary Growth rate	5.00%	7.00%
Mortality	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	0	0
Withdrawal rate (Per Annum)	2.00%	5.00%

30. Based on the information available with the management, there are no outstanding dues to Micro, Small and medium Enterprises as per Micro, Small and Medium Enterprise Development Act, 2006 as at year end (previous year – Nil)

31. Fair value of investment in equity instruments is taken on the basis of audited financial statement available for the FY. 2017 -18.

32. The company does not have any exposure in respect of foreign currency denominated assets and liabilities (not hedged by derivative instruments) as at 31 March 2019.

33. Balance of trade receivable, Trade Payable and Loans and Advances are subject to independent confirmation and reconciliation.

34. Keeping in view the prudence and absence of virtual certainty of future taxable income, the deferred tax assets on unabsorbed business losses and depreciation has not been created as on the reporting date.

35. Previous year figures have been regrouped whenever is necessary.

#### 36. Financial instruments

##### i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value - recurring fair value measurements

Rs. in lacs

Particulars	Level 1	Level 2	Level 3	Total
As at 31 March 2019				
Financial assets				
Investments at fair value through OCI				
Equity Instruments	-	-	25.54	25.54
<b>Total</b>	-	-	<b>25.54</b>	<b>25.54</b>
As at 31 March 2018 through OCI				
Financial assets				
Investments at fair value				
Equity Instruments	-	-	26.55	26.55
<b>Total</b>	-	-	<b>26.55</b>	<b>26.55</b>

### 37. Financial risk management

#### i) Financial instruments by category

Rs. in lacs

Particulars	31 March 2019		31 March 2018	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>Financial assets</b>				
Trade receivable	-	6.17	-	16.97
Cash and Cash Equivalents	-	4.82	-	2.04
Other Bank Balance	-	2.05	-	2.30
Other Financial assets	-	3.01	-	3.27
Other current assets	-	14.96	-	27.28
<b>Total</b>	-	<b>31.01</b>	-	<b>51.86</b>
<b>Financial Liabilities</b>				
Borrowings	-	4.25	-	9.68
Trade payables	-	-	-	0.68
Other current liabilities	-	12.81	-	0.88
<b>Total</b>	-	<b>17.06</b>	-	<b>11.24</b>

- (a) The carrying value of trade receivables, cash and cash equivalents, other bank balances, other financial and other current assets recorded at amortized cost, is considered to be a reasonable approximation of fair value.
- (b) The carrying value of borrowings, trade payables and other financial liabilities and other current liabilities recorded at amortized cost is considered to be a reasonable approximation of fair value.

#### ii) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's risk management is carried out by finance department of the Company under policies approved by the Board of Directors. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, such as credit risk, liquidity risk and interest rate.

## (A) Credit Risk

Credit risk is the risk that a customer or counter party to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at reporting date.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk. The Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, bank deposits and loans is considered negligible, since the counterparties are reputable organizations with high quality external credit ratings. The Company does not have any expected loss-based impairment recognized on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Details of trade receivables that are past due is given below:

Rs. in lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Not Due	NIL	NIL
0-30 days past due	NIL	13,25,000
31-60 days past due	NIL	10,000
61-90 days past due	NIL	NIL
More than 90 days past due	6,17,624	362,039
TOTAL	6,17,624	16,97,039

## (B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Contractual maturities of financial liabilities

The tables below analysis the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash

flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

**Rs. in lakhs**

31 March 2019	Payable on demand	Less than 1 Year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-Derivatives</b>						
Borrowings	-	4.25	-	-	-	4.25
Trade Payable	-	-	-	-	-	-
Other current Liabilities	-	12.69	0.12	-	-	12.81
<b>Total</b>	-	<b>16.94</b>	<b>0.12</b>	-	-	<b>17.06</b>

31 March 2018	Payable on demand	Less than 1 Year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-Derivatives</b>						
Borrowings	-	9.68	-	-	-	9.68
Trade Payable	-	0.68	-	-	-	0.68
Other Financial Liabilities	-	0.88	-	-	-	0.88
<b>Total</b>	-	<b>11.24</b>	-	-	-	<b>11.24</b>

**(C) Interest rate risk**

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at 31 March 2019, the Company's exposure to long term borrowing is NIL.

**38. Capital Management**

The Company's capital management objectives are

- To ensure the Company's ability to continue as a going concern
- To provide an adequate return to share holders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

**As per our report of even date attached**

**For & on behalf of the Board of Directors**

**For PNG & Co**  
Chartered Accountants  
FRN 021910N

**B. K. Narula**  
Director  
DIN 00003629

**Karan Suri**  
Director  
DIN 01193500

**Prabhat Kumar**  
Partner  
M.No. 087257

**Sanjay Bana**  
CFO

**Rita Narula**  
Director  
DIN 00006096

**Shefali Kesarwani**  
Company Secretary  
M. No. A52098

**Place: Noida**

**Date: 26.05.2018**

**OROSIL SMITHS INDIA LIMITED**

CIN: L74899DL1994PLC059341

Registered office: Flat No.620, Hemkunt Chambers, 89, Nehru Place, New Delhi -110019

Tel: +91-120-2540571, Fax: +91-120-2540578, E-mail: info@orosil.com, W: www.orosil.com

**PROXY FORM**

(Form No. MGT-11)

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

CIN : L74899DL1994PLC059341  
 Name of Company : OROSIL SMITHS INDIA LIMITED  
 Registered Office : Flat No.620, Hemkunt Chambers, 89, Nehru Place, New Delhi-110019  
 Name of the member(s) :  
 Registered Address :  
 Folio No. / Client ID :  
 DP ID :  
 Email ID :

I/We, being the member(s) of ..... Shares of the above named Company, hereby appoint:

1. Name : ..... E-mail ID: .....  
 Address : .....  
 Signature : .....or failing him/her
2. Name : ..... E-mail ID: .....  
 Address : .....  
 Signature : .....or failing him/her
3. Name : ..... E-mail ID: .....  
 Address : .....  
 Signature : .....or failing him/her

as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Monday, the 30th day of September, 2019 at 11 A.M. at YWCA of Delhi, Ashoka Road, New Delhi - 110001 or any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description of Resolutions	Assent	Dissent
<b>Ordinary Business:</b>			
1.	Adoption of Audited Financial Statements of the Company for the Financial year ended 31 <sup>st</sup> March 2019 together with the Reports of the Board of Directors and Auditors thereon		
2.	Re- appointment of Ms. Rita Narula as a director liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013.		
<b>Special Business:</b>			
3.	Reappointment of Ms. Bhavana Sampath Kumar as an Independent Director		
4.	Alteration of Main Object Clause		
5.	Revision in payment of remuneration of Mr. B.K. Narula, Managing Director of the Company.		

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

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

Affix One Rupee Revenue Stamp
--

**Notes:**

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.





**OROSIL SMITHS INDIA LIMITED**

CIN: L74899DL1994PLC059341

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Tel: +91-120-2540571, Fax: +91-120-2540578, E-mail: info@orosil.com, W: www.orosil.com

**ATTENDANCE SLIP**

**25<sup>TH</sup> ANNUAL GENERAL MEETING ON MONDAY, 30<sup>TH</sup> SEPTEMBER, 2019 at 11 A.M.**

Mr./Mrs./Miss.....  
Address .....  
Folio No. (Physical holding) ..... DP ID (Demat holding).....Client ID.....  
No. of Shares held .....

I/We certify that I am/we are registered Shareholder/Proxy for the registered shareholder of the Company.

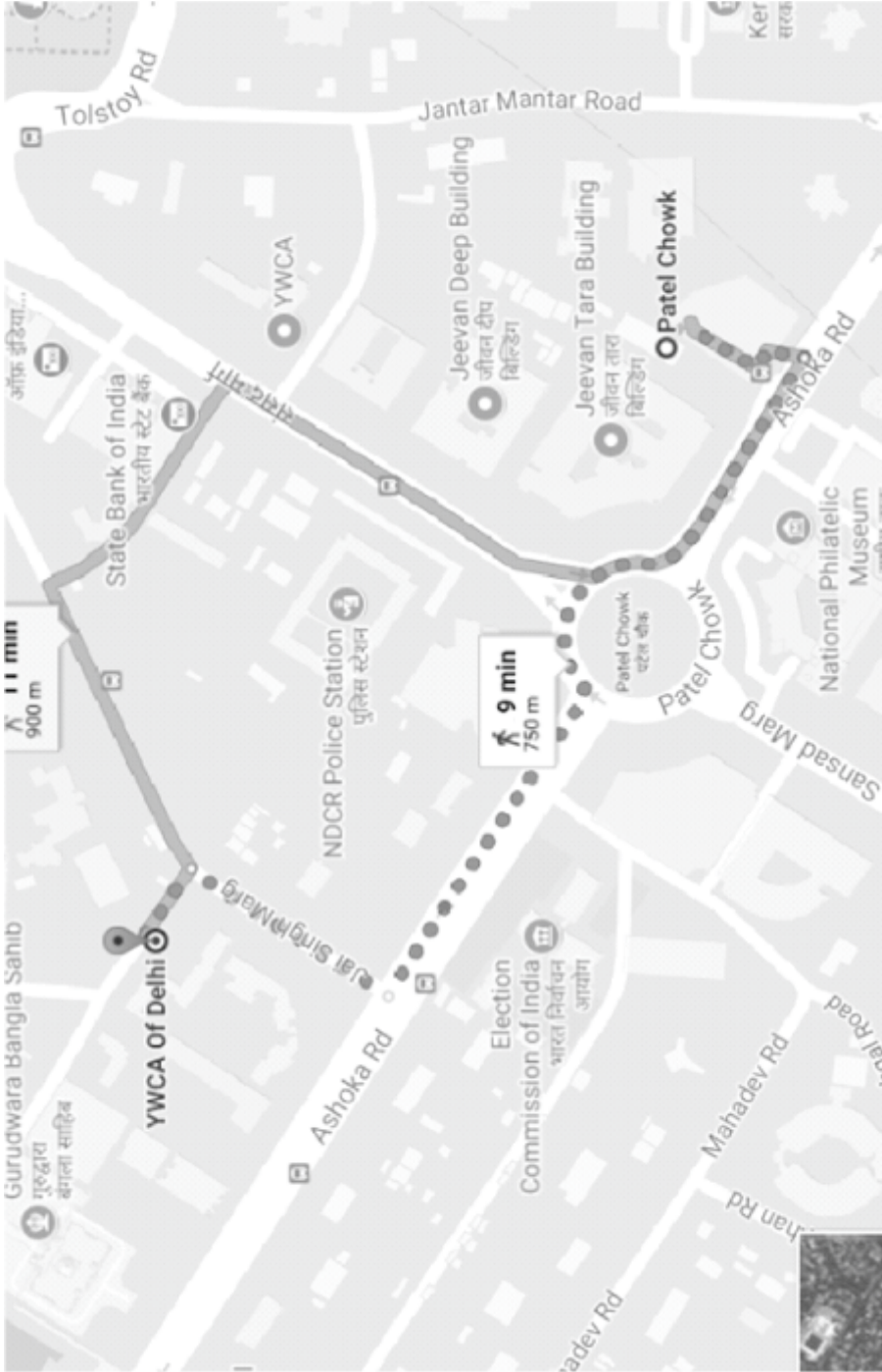
I/We hereby record my/our presence at the 25th Annual General Meeting of the Company on Monday, the 30th day of September, 2019 at 11 A.M. at YWCA of Delhi, Ashoka Road, New Delhi - 110001.

[Signature of Shareholders/Proxy(s)] .....

- Notes: 1) Please fill in this attendance slip and hand it over at the entrance of the Meeting Hall.  
2) Member's Signature should be in accordance with the specimen signature registered with the Company.  
3) Please bring your copy of the Annual Report for reference at the Meeting.

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## Route Map from Patel Chowk Metro Station





## SPEED-POST



If Undelivered, please return it to :

**OROSIL SMITHS INDIA LTD.**

Flat No. 620, Hemkunt Chambers,  
89, Nehru Place, New Delhi-110019

CIN : L74899DL1994PLC059341

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