

# Sanblue Corporation Limited

*25th*

*Annual Report*

*2017-2018*

**Board of Directors & Key Managerial Personnel of the Company:**

Mr. Jose Daniel (DIN:03532474)	- Managing Director & CEO
Mr. Sanjiv Shah (DIN:00256817)	- Director
Mrs Krina Shah (DIN:01798704)	- Women Director
Mr.Jigar Shah (DIN:00089575)	- Independent Director
Mr. Yogesh Shah (DIN:02030459)	- Independent Director
Mr Rajesh Shah (DIN:00092504)	- Independent Director
Mr. Dhaval Sheth	- CFO
Mr. Jekil Pancholi	- Company Secretary

**STATUTORY AUDITORS**

M/s. Kantilal Patel & Company  
Chartered Accountants  
202, Paritosh, Usmanpura (Riverside),  
Ashram Road,  
Ahmedabad - 380 013.

**REGISTERED OFFICE**

22A, Government Servant Society,  
Near Municipal Market, C. G. Road,  
Ahmedabad - 380 009.  
Tel.:079 26562055  
Email: inquiry@sanbluecorporation.com  
Website: www.sanbluecorporation.com

**REGISTRAR & SHARE TRANSFER AGENT**

Bigshare Services Private Limited  
A/802, Samudra complex, Near Klassic  
Gold, Girish cold drink,  
C.G Road, Ahmedabad, Gujrat - 380009.  
Tel.: 079 – 40024135  
Email: bssahd@bigshareonline.com  
Website: www.bigshareonline.com

**STOCK EXCHANGE**

Bombay Stock Exchange Ltd.

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**NOTICE**

**NOTICE** is hereby given that the 25th Annual General Meeting of Sanblue Corporation Limited will be held on Thursday 20th Day of September, 2018 at the Registered Office situated at the 22A Government Servent Society, Near Municipal Market C. G. Road, Ahmedabad-380009 at 10:00 a.m., to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended on March 31, 2018, the Balance Sheet as at that date and Cashflow together with the Auditor and Directors' Report thereon.
2. To appoint a Director in place of Mr. Sanjiv Shah (DIN: 00256817), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider the re-appointment of Statutory Auditors.

**“RESOLVED THAT** pursuant to the provisions of Section 139,142 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby reappoint of M/s. Kantilal Patel & Co. (FRN: 104744W), Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held in the financial year 2018-19 on such remuneration as may be determined by the Board of Directors of the Company from time to time.”

**RESOLVED FURTHER THAT** any one Board of Directors be and is hereby authorized to file necessary forms in the Ministry of Corporate Affairs and to do perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

**SPECIAL BUSINESS :**

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

**“RESOLVED THAT** in supersession of the earlier resolution passed by the Members in their meeting held on 26th September,2015, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions if any, authority be and is hereby given to the Board of Directors of the Company (herein- after referred to as “the Board”) to borrow any sum or sums of money, from time to time, were the moneys to be Borrowed, together with the money already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), provided that the total amount so borrowed shall not at any time exceed Rs. 100 Crores (Rupees One Hundred Crores only) and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such moneys to be borrowed, from time to time interest, repayment, security or otherwise howsoever as it may deem fit, as also to execute all such deeds and documents as may be necessary or required for this purpose.

**RESOLVED FURTHER THAT** any one Board of Directors be and is hereby authorized to file necessary forms in the Ministry of Corporate Affairs and to do perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** in supersession of the earlier resolution passed by the Members in their meeting held on 26th September,2015, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(a) of Companies Act 2013, read with relevant rules or any other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force and hereinafter collectively referred to as “Act”), to the Board of Directors of the Company to lease or otherwise dispose of or to create charge, mortgage and/or hypothecate the whole or substantially the whole of undertaking(s) of the Company, where undertaking (both present and future) shall have the meaning as stated in explanation to Clause (a) of Sub-Section (1) of Section 180 of the Companies Act, 2013, at such time and on such terms and conditions as the Board may deem fit, in the best interest of the affairs of the Company.”

**RESOLVED FURTHER THAT** the Board of Directors (for the purpose of this resolution, the “Board” would include any Director in single capacity and/or any Committee of Directors as may be authorized by the Board in this regard) shall have the power to mortgage or otherwise offer as collateral substantial property, assets and/or undertakings of the Company in certain events, to banks/financial institutions, non-banking Companies, other lending agencies, and/or trustees for the holders of debentures/bonds/other instruments, to secure any rupee loans, foreign currency loans and/or the issue of debentures whether partly or fully convertible or non-convertible and/or securities linked to equity shares and/or rupee/foreign currency convertible bonds and/or bonds with share warrants attached thereto and also to do all such acts, deeds and other things as may be required or considered necessary or incidental thereto for giving effect to this resolution.”

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

**RESOLVED FURTHER THAT** pursuant to provisions of section 180(1)(a) of The Companies Act, 2013 read with relevant rules or as amended from time to time, any other law for the time being in force and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby authorised to the Board of Directors of the Company (herein- after referred to as “the Board”) to sell of whole or substantial undertaking of the Company exceeds twenty percentage of its net worth as per the audited balance sheet of the preceeding financial year or an undertaking which generates twenty per cent of the total income of the Company during the previous financial year.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company and to delegate such powers to any Officers of the Company as it may consider necessary or expedient or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.

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

“**RESOLVED THAT** in supersession of the earlier resolution passed by the Members in their meeting held on 26th September,2015 and pursuant to the provisions of section 186 of The Companies Act, 2013 read with Rule 11 and 13 of the Companies (Meetings of Board and its Powers) Rules, 2014 or any other applicable provisions of the Companies Act, 2013, and in addition to the amounts already invested by the Company, consent be and is hereby accorded to the Board of Directors of the Company for making investment by way of subscription, purchase or otherwise in the securities of any other body corporate upto a limit of Rs. 100 Crores (Rupees Hundred Crores Only) for such investments notwithstanding that the aggregate of the investments and loans so far made or to be made and the guarantees so far given or to be given by the Company, exceeds the limits/will exceed the limits laid down by the Companies Act, 2013.

**RESOLVED FURTHER THAT** any one Board of Directors be and is hereby authorized to file necessary forms in the Ministry of Corporate Affairs and to do perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

**8. To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution**

“**RESOLVED THAT** pursuant to Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other consents and permission as may be required, **Mr. Jose Daniel (DIN 03532474)**, be and is hereby re-appointed as the Chairman and Managing Director of the Company for a further period of 3 years commencing from April 28, 2018 till April 27, 2021 at a consolidated remuneration Rs 70000/-p.m. (Including Basic Salary, Allowances and Perquisites), on the terms and conditions as set out in the Explanatory Statement annexed to this Notice, with liberty to the Board/ Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed be and between the Board/ Nomination and Remuneration Committee and Mr. Jose Daniel.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Jose Daniel (DIN 03532474), Chairman and Managing Director of the Company shall be within the overall limit stipulated under Section II of Part II of Schedule V of the Companies Act, 2013, as applicable to the Company or such other limits, as may be prescribed by the Central Government and as may be on the recommendation by the remuneration committee to the Board for its approval from time to time.

**RESOLVED FURTHER THAT** any one Board of Directors be and is hereby authorized to file necessary forms in the Ministry of Corporate Affairs and to do perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

**RESOLVED FURHTER THAT** pursuant to provisions of section 185 of The Companies Act, 2013 read with relevant rules or the provisions of the Memorandum and Articles of Association of the Company as amended from time to time, any other law for the time being in force and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby authorised to the Board of Directors of the Company (hereinafter referred to as “the Board”) to providing loan, guarantee or security in connection with loan to any other person in whom director is interested in any other private company of which any such director is a director or member of that Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company and to delegate such powers to any Officers of the Company as it may consider necessary or expedient or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.

**For and on behalf of the Board  
Sanblue Corporation Limited**

**(Jose Daniel)  
Chairman & Managing Director  
DIN: 03532474**

**Date : 14/08/2018  
Place : Ahmedabad**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 25TH ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIM/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Book of the Company will remain closed Friday, 14th September, 2018 to Thursday, 20th September, 2018 (both days inclusive).
3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.
4. Members holding shares in dematerialized form are requested to register their latest Bank Account details (Core Banking Solutions enabled Account Number, 9 digit MICR and 11 digit IFS code) with their Depository Participant. Members holding shares in physical form are requested to provide the above details, along with their Folio Number, to the Company's Registrar and Transfer Agents, M/s Bigshares Services Private Limited.
5. Members holding shares in dematerialized form are requested to intimate any changes pertaining to their name, address, registered email id, bank details, nominations, power of attorney, etc. To their Depository Participant. Changes intimated to the Depository Participant will be automatically reflected in the Company's records. Members holding shares in physical form are requested to intimate any of the above mentioned changes, alongwith the request for merging of folio etc., to the Company's Registrar and Transfer Agents, M/s. Bigshares Services Private Limited.
6. For the purpose of availing Nomination facility, members holding shares in dematerialised form are required to lodge the nomination with their Depository Participant and members holding shares in physical form are required to fill and submit Form SH-13 (available on request) with the Company's Registrar and Transfer Agents, Bigshares Services Private Limited.
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form as trading in physical shares is not feasible and also to eliminate all the risks associated with such physical shares. Members can contact the Company or the Company's Registrar and Transfer Agents, M/s. Bigshares Services Private Limited, for assistance in this regard.
8. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial Statements, Board's Report etc. and this Notice is being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the Registrars and Share Transfer Agents of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to [inquiry@sanbluecorporation.com](mailto:inquiry@sanbluecorporation.com) mentioning your Folio/DP ID & Client ID.
9. As per Securities and Exchange Board of India (SEBI) Circular, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialized mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's R&TAs.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to R&TAs for consolidating their holdings in a single folio. The share certificates will be returned to the members after making requisite changes therein.

11. Members / Proxies / Authorised Representatives should bring the enclosed attendance Slip, duly filled in, for attending the Meeting. Copies of the 25th Annual Report or Attendance Slips will not be distributed at the Meeting.
12. Details of the Directors seeking Appointment/Reappointment at the 25th Annual General Meeting :-

<b>Name</b>	Sanjiv Shah	Jose Daniel
<b>DIN</b>	00256817	03532474
<b>Age</b>	52 years	40 years
<b>Date of Re appointment</b>	18/01/2001	28.04.2018
<b>Experience</b>	He was appointed as Executive Director of the Company. He was over more than 15 years experiences in the financial sector as well as in management knowledge.	He was appointed as Managing Director in Company on 29.04.2013. He has over 14 years of impermeable experience in B2B e commerce, Information Technology, Textile and Apparel Industry.
<b>Qualification</b>	BSC, LLB	Executive Management from IIM
<b>Other Directorships</b>	Fibre2Fashion Private Limited Sanblue Infrastructure Private Limited Isha Securities Limited Sanblue Consulting LLP	Fibre2Fashion Private Limited
<b>Chairman/Member of Committee</b>	Nil	Member of Investor and Grievance Committee
<b>No of Board meeting attended during the year</b>	4	4
<b>Shareholding in the Company</b>	2203950 Equity Shares	Nil
<b>Relationship with director's of the Company's</b>	He is not related to any Director or Key Managerial Personnel of the Company except Krina Shah.	He is not related to any Director or Key Managerial Personnel of the Company.

### 13. Voting Options :

#### Voting Through electronic means :

The Business transacted as set out in the Notice may be transacted through the e - voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means. Please note that the voting through electronic means is optional for shareholders.

The members, whose names appear in the Register of members/list of Beneficial Owners as on **Thursday, September 13, 2018** i.e. cut off Date. are entitled to vote on the resolutions set forth in this Notice.

The voting through electronic means will commence on **Monday, 17.09.2018 at 09.00 A.M and will end on Wednesday, 19.09.2018 at 05.00 P.M.** The members will not be able to cast their vote electronically envisaged herein above beyond the date and time mentioned above.

The Company has appointed Mr. Sanjay Dayalji Kukadia (CPN. 11308) Practicing Company Secretary, to act as the scrutinizer for conducting the electronic voting process in a fair and transparent manner.

The members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

**The instructions for members for voting electronically are as under :-**

**In case of members receiving e-mail :**

**The instructions for shareholder voting electronically are as under :**

- (i) The voting period begins on **<17.09.2018 at 09.00 A.M>** and ends on **<19.09.2018 at 05.00 P.M.>**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **<13.09.2018>** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

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



- (xi) Click on the **EVSN** for the relevant <Sanblue Corporation Limited> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - “m-Voting” for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### **Green Initiative – An Important Communication to Members**

Ministry of Corporate Affairs has taken a green initiative by permitting companies to send various documents like notices, annual reports including annual accounts etc. to its Members through electronic mode. Keeping in spirit with the said initiative, we request you to update your email ID with your respective DP's in case of shares held in electronic form and with Registrar & Share Transfer Agent - M/s Bigshares Services Private Limited in case of shares held in physical form. Email is a better method to receive the communications quickly, with least cost implications and have a longer shelf life. The Company proposes to send all permitted communications electronically to the email id's of Members unless specific request is received for a physical copy from Member. Please act and contribute to preserve the environment for our better future.

**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 (“THE ACT”)****Item No 4**

The Members had already authorized the Board of Directors of the Company and/or any Committee thereof to borrow from time to time a sum not exceeding Rs. 15 Crores (Rupees Fifteen Crore Only) on such terms and conditions as it may deem fit under Section 180(1)(c) of the Companies Act, 2013. Considering the future requirements the overall borrowing limits are to be increased from Rs. 15 crores (Rupees Fifteen Crore Only) to Rs. 100 Crore (Rupees One Hundred Crore Only).

The Board accordingly recommends the revised limit to the extent of Rs. 100 Crore (Rupees One Hundred Crore Only), outstanding at any point of time under 180(1)(c) of the Companies Act, 2013 as set out in the Resolution for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company. The Board of Directors recommends the resolution for your approval.

**Item No 5**

With reference to revised borrowings (subject to the limit prescribed) and/or creation of security of the assets of the Company will be regarded as sufficient compliance with the requirements of Section 180 of the Companies Act, 2013. In view of the same it is required for every Company to obtain consent of shareholders by passing a Special Resolution for delegation of powers to the Board sanctioning the limit for creation of security on the Assets of the Company. Accordingly member's approval is sought for authorizing the Board to create security on Assets of the Company.

None of the Directors, Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/indirectly interested in the above resolution except to the extent of their respective interest as shareholders of the Company. The Board of Directors recommends the resolution for your approval.

**Item No 6**

The Company has made investments in shares and securities, hence for better return Company may sell that shares and securities in the open market. Further for sell of whole or substantial undertaking of the Company exceeds twenty percentage of its networth as per the audited balance sheet of the preceeding financial year or an undertaking which generates twenty per cent of the total income of the Company during the previous financial year require to approval of Shareholders by way of postal ballot.

However As per Companies Amendment Bill, 2017 any item of business required to be transacted by means of postal ballot under may be transacted at a general meeting by a with the consent of the Shareholders of the Company. In view of the same it is proposed to obtain consent of shareholders by passing a special resolution for delegation of powers to the Board.

None of the Directors, Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/indirectly interested in the above resolution except to the extent of their respective interest as shareholders of the Company. The Board of Directors recommends the resolution for your approval.

**Item No 7**

In order to make optimum use of funds available with the Company and also to achieve long term strategic and the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required. Pursuant to the provisions of section 186 of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of the Annual General Meeting for an amount not exceeding Rs 100 Crores (one Hundred Crores Only) outstanding at any time notwithstanding that such investments, outstanding loans

given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013. The Directors therefore, recommend the Special Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

#### Item No. 8

The member may note that Mr. Jose Daniel was reappointed as Managing Director of the Company for 3 years. Further, He is also playing significant role in the organization. The Board of Directors at its meeting held on 29th May, 2018 have recommended to reappointment as Chairman and Managing Director of the Company with remuneration of Rs 70000/- p.m. (Including Basic Salary, Allowances and Perquisites) subject to limit stipulated under Section II of Part II of Schedule V of the Companies Act, 2013.

The Board had further authorised Nomination and Remuneration Committee to approve the reappointment of Mr. Jose Daniel as a Managing Director of the Company. The above proposal requires approval of Shareholders of the Company. Hence, the proposal is before the shareholders for approval through Special Resolution.

Except Mr. Jose Daniel, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above resolution

Pursuant to the Schedule V of the Companies Act, 2013 the following information is provided to the members :

#### I. General Information

##### a. Nature of Industry :

Sanblue Corporation Limited main business as a trading of Fabrics, dress materials, man-made fibers, cotton fibers, textiles , related products and also provide services as a Consultant for Capital issue, management advisors corporate bodies, individual and others in commercial and industrial management.

##### b. Date of commencement of commercial production :

The Company was incorporated on 26th August, 1993 and commenced its operations in India immediately thereafter. The Company is not manufacturing any goods or products.

##### c. Financial Performance based on giving indicators :

Particulars	Audited figures for the financial year ended 31st March, 2018 (Rs in Lacs)	Audited figures for the *financial year ended 31st March, 2017 (Rs in Lacs)	Audited figures for the financial year ended 31st March, 2016 (Rs in Lacs)	Audited figures for the financial year ended 31st March, 2015 (Rs in Lacs)
Total Revenue	651.58	180.06	617.72	13.70
Profit/(Loss) Before Tax	(10.27)	(18.21)	281.27	0.93
Profit/(Loss) for the year	(10.27)	(18.21)	226.76	0.89
Total Comprehensive Income	(578.16)	(40.04)	NA	NA

\*Prepared as per INDAS.

##### d. Foreign Investments or Collaboration if any : Nil

#### II. Information about Mr. Jose Daniel :

##### a. Background :

Mr. Jose Daniel (born 1976), is a Master's in Electronic from South Gujarat University and also possess an executive management degree (EPBM) from Indian Institute of Management (IIM) Kolkata. He has over 16 years of impermeable experience in B2B Information Technology, Textile and Apparel Industry. The Company has reappointed as Managing Director w.e.f. 28.04.2018.

##### b. Past Remuneration : Rs 50000/- per month (Inclusive Allowances and perquisites)

**c. Recognition or awards :**

Mr. Jose Daniel was awarded as one of the 100 future IT Leaders of India.

**d. Job Profile & his Suitability :**

He is Managing Director of the Company and is entrusted with substantial powers of management subject to the superintendence, control and direction of the Board of Directors of the Company. He has nearly 16 years of experience, including at various senior management positions in the Company and overseas.. The rich experience of him is well suited for the position Managing Director.

**e. Remuneration proposed :**

The Company proposes to pay Rs. 70,000/- per month (including other allowance and perquisites) remuneration to Mr. Jose Daniel during the year in accordance with the applicable provisions of the Schedule V of the Companies Act, 2013.

**f. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person :**

The terms and remuneration of Mr. Jose Daniel as CEO & Managing Director have been considered by the Nomination and Remuneration Committee and later approved by the Board of Directors at their meeting held on 29th May, 2018. The remuneration to Mr. Jose Daniels is with the approval by the Shareholders. The remuneration has been based on standards with respect to the size of the operations and the profile of the position.

**g. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel :**

Mr. Jose Daniel does not hold any shares in the Company as on 31st March, 2018. Apart from he does not have any other pecuniary relationship with the Company or with the managerial personnel of the Company.

**III. Other information :****a. Reasons for loss or inadequate profits :**

During the year 2017-18 the Company has recorded a subdued performance during the last 2 years, amidst weak economic conditions and contraction of demand in most of the end user industry segments.

**b. Steps taken or proposed to be taken for improvement :**

The steps taken or proposed to be taken for improvement in financial performance inter alia, include improving service offerings to improve margins, making the organisation more effective and reducing cost, making continuous efforts to reduce cost and improving order book with a focus on being more competitive.

**c. Expected increase in productivity and profits in measurable terms :**

The steps taken/proposed to be taken for improvement are expected to make a positive impact on growing revenues, containing interest and other overhead costs with a view to enhance margins.

**IV. Disclosures :**

A disclosure pursuant to Schedule V of the Companies Act, 2013, is contained in the explanatory statement herein above and in the Directors' Report for the year 2018.

**Item No 9**

As per Companies Amendment Bill, 2017 the Company has allowed in providing loan, guarantee or security in connection with loan to any other person in whom the director is interested in any other private company of which any such director is a director or member of that Company. In view of the future requirement if any, it is proposed to obtain consent of shareholders by passing a special resolution for delegation of powers to the Board.

None of the Directors, Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/ indirectly interested in the above resolution except to the extent of their respective interest as shareholders of the Company. The Board of Directors recommends the resolution for your approval.

**For and on behalf of the Board  
Sanblue Corporation Limited**

**(Jose Daniel)  
Chairman & Managing Director  
DIN: 03532474**

**Date : 14/08/2018  
Place: Ahmedabad**

**DIRECTOR'S REPORT**

To  
The Members,

Your Directors have pleasure in submitting this 25th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018..

**1. FINANCIAL RESULTS :**

Particulars	(Rs. In Lacs)	
	2017-18	2016-17
Revenue from Operations	640.36	173.71
Other Income	11.21	6.35
Loss before Tax	(10.26)	(18.21)
Less: Tax Expenses	--	(0.06)
Loss for the year	(10.26)	(18.27)
Total Comprehensive Income	578.16	40.04
Basic & Diluted EPS	(0.21)	(0.37)

**2. REVIEW OF BUSINESS OPERATIONS**

The revenue from operation of the Company during the year has increased from Rs. 173.71 Lacs to Rs 640.36 Lacs. The Loss after Tax has decreased from Rs 18.27 Lacs for the year previous year to Rs 10.26 Lacs for the current year.

**3. DIVIDEND**

During the period under review, your directors do not recommend any dividend for the current financial year.

**4. RESERVES**

The Company has not transferred any amount to the Reserve during the year under review.

**5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year Company has not provided any Loan or Guarantee under section 186 of the Companies Act, 2013. However Company has made investments. The particulars investments have been disclosed in the financial statements of the Company.

**6. CORPORATE GOVERNANCE**

As per the New (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified 2nd September, 2015 issued by Securities and Exchange Board of India, vide circular no. SEBI/LAD-NRO/GN/2015-16/013. Corporate Governance is not applicable to the Company as Company has not attained the prescribed limit as mentioned hereunder:

As per the Regulation 15 (Listing Obligations And Disclosure Requirements) Regulations, 2015 applicability of Corporate Governance shall not be mandatory for companies having paid up equity share capital not exceeding Rupees Ten Crore and net worth not exceeding Rupees Twenty Five Crore, as on the last day of the previous financial year.

**7. RELATED PARTY TRANSACTIONS**

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company.

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website [www.sanbluecorporation.com/policies.html](http://www.sanbluecorporation.com/policies.html)

#### **8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

The Board of Director as its meeting held on 14th February, 2018 reappointed Mr Jose Daniel as Managing Director & CEO of the Company. There have been no other material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements related and the date of the report.

#### **9. INTERNAL FINANCE CONTROL SYSTEM**

The Company has an adequate system of internal control procedures which is commensurate with the size and nature of business. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are also generally placed before the Board.

#### **10. DEPOSIT**

The Company has neither accepted nor renewed any deposits during the year under review.

#### **11. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES**

During the year under review, the Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

#### **12. SHARE CAPITAL**

During the year under review, there were no changes in the share capital of the Company.

#### **13. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Sanjiv Shah (DIN: 00256817), retires by rotation and being eligible has offered herself for reappointment. Mr. Jose Daniel be and is hereby reappointed as managing director of the Company for 3 years in the Company.

#### **14. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability confirm and state that –

- i. In the preparation of the annual accounts, 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 loss of the company for that period;
- 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 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; and
- 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.

#### **15. DECLARATION BY INDEPENDENT DIRECTORS**

All the Independent Directors have given declaration to the Company stating their independence pursuant to Section 149(6) of the Companies Act, 2013.

## 16. PERFORMANCE OF EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board by way of individual feedback from directors.

The evaluation frameworks were the following key areas:

(a) For Non Executive & Independent Directors :

- Knowledge
- Professional conduct
- Comply Secretarial Standard issued by ICSI
- Duties, Role and functions

(b) For Executive Directors:

- Performance as leader
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set investment goal
- Professional conduct and integrity
- Sharing of information with Board.
- Adherence applicable government law
- Ind AS applicability

The Directors expressed their satisfaction with the evaluation process.

## 17. STATUTORY AUDITORS

M/s. Kantilal Patel & Co. Chartered Accountants, Ahmedabad (FRN: 104744W), Statutory Auditors of the Company will be retiring at the conclusion of the ensuing Annual General Meeting. The Audit Committee and Board of Directors of the Company respectively at their meeting held on 29th May, 2018 proposed, subject to approval of the shareholders, the reappointment of M/s. Kantilal Patel & Co. as a Statutory Auditors of the Company, to hold office from the conclusion of ensuing Annual General Meeting up to the conclusion of next Annual General Meeting of the Company. The Auditor's Report is enclosed with the financial statements in this Annual Report.

The Auditor's Report for financial year 2017-18 does not contain any qualification, reservation or adverse remark.

## 18. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has reappointed Mr. Sanjay Dayalji Kukadia, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure A**".

The Secretarial Audit Report for financial year 2017-18 does not contain any qualification, reservation or adverse remark.

## 19. INTERNAL AUDITOR

The Board of Directors has appointed M/s Rakesh J. Shukla & Associates, Chartered Accountants as Internal Auditors of the Company. The Internal Auditor directly reporting to audit committee. The Company has in place a mechanism to identify, assess, monitor and mitigate various risk to key business objectives.

## 20. AUDIT COMMITTEE

Our Audit Committee comprised three Independent directors as on March 31, 2018.

- Mr. Jigar Shah – Chairman
- Mr. Yogesh Shah
- Mr. Rajesh Shah

The Company Secretary act as the secretary to the audit committee.

The primary object of audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosure, with the highest level of transparency, integrity and quality financial reporting. The Committee inter alia reviewed the Internal Control Systems, Scope of Internal Audit and Compliance of various regulations. The Committee also reviewed at length, the financial statements and approved the same before they were placed before the Board of Directors. During the financial year under review the Committee also analysed Indian Accounting Standard (Ind AS) effect in the Company.

## 21. VIGIL MECHANISM

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism or Whistle Blower Policy for directors, employees and other stakeholders to report genuine concerns has been established. The same is also uploaded on the website of the Company i.e. [www.sanbluecorporation.com](http://www.sanbluecorporation.com).

## 22. LISTING OF SHARES

The Equity Shares of the Company are listed on BSE Limited (BSE) with scrip code number 521222. The Company confirmed that the annual listing fees to the BSE Limited has paid.

## 23. REMUNERATION POLICY

Our Remuneration comprised three Independent directors as on March 31, 2018.

- Mr. Rajesh Shah – Chirman
- Mr. Jigar Shah
- Mr. Yogesh Shah

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in "**Annexure B**" and is attached to this report.

## 24. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE :

The Shareholders/Investor's Grievance Committee comprises of Mr. Jose Daniel (Executive and Non Independent Director), Mr. Jigar Shah (Independent Non-Executive Director) and Mr. Rajesh Shah (Independent Non-Executive Director) is a Chairman of the Shareholders/Investor's Grievance Committee.

The Company Secretary/Compliance Officer shall act as the secretary to the Committee.

The primary function of the Shareholders / Investors Grievance Committee ("the Committee") is to consider and resolve the grievances of security holders of the Company. During the year under review, the committee reviewed the complaint status, share transfer details, dematerialization of security and also conducted audit by practicing company secretary.

## 25. EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure C**".

## 26. SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES / JOINT VENTURE

Since the Company does not have any Subsidiary / Joint Ventures / Associate Concerns, No financial position of such concern(s) are required to be included in the financial statement.

## 27. BOARD MEETINGS

The Board of Directors met 4 (Four) times during the year. The details of the meeting are as below :

- |                |                |                |                |
|----------------|----------------|----------------|----------------|
| (1) 30/05/2017 | (2) 14/08/2017 | (3) 05/12/2017 | (4) 14/02/2018 |
|----------------|----------------|----------------|----------------|

## 28. SIGNIFICANT AND MATERIAL ORDERS

There are no material orders passed by Regulators, Courts or Tribunals impacting the going concern status and company's operations in future.



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

During the year under review, there are no manufacturing activities undertaken by the Company, in view of the aforesaid fact, there was no scope for your Company to make any efforts for energy conservation, research and development and technology absorption. Hence the particulars required to be furnished in respect of the same are not given.

Foreign Exchange Earnings: NIL

Foreign Exchange Outgoes: NIL

**30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management discussion & Analysis report form part of this annual report is annexed herewith as "Annexure-D".

**31. SHARE TRANSFER AGENT (R&TA)**

The details of Registrar & Share Transfer Agent is as below:

Bigshares Services Private Limited

Address: A/802, Samudra complex, Near Klassic Gold, Girish cold drink,  
C.G. Road, Ahmedabad, Gujrat - 380009.

Tel. No: 91-79-40024135, Email: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)

Website : [www.bigshareonline.com](http://www.bigshareonline.com)

**32. PARTICULARS OF EMPLOYEE**

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given **Annexure-E**.

**33. DETAILS OF NON COMPLIANCE**

No penalty imposed by stock exchange, SEBI or ROC, nor has been any instance of non compliance with any legal requirements, or on matters capital market over the last three years.

**34. RISK MANAGEMENT**

The Board of the Company has formed a risk management policy for oversight in the area of financial risks and controls.

**35. ACKNOWLEDGMENT**

The directors thank the Company's employees, customers, vendors and investors for their continuous support. The directors are also thankful to the concerned government departments / agencies for their co-operation. The directors appreciate and value the contributions made by every member in the Company.

**For and on behalf of the Board  
Sanblue Corporation Limited**

**Date : 14/08/2018  
Place : Ahmedabad**

**(Jose Daniel)  
Chairman & Managing Director  
DIN: 03532474**

**SANJAY DAYALJI KUKADIA****"Annexure - A"****(Practicing Company Secretary),****Address: Flat number-787, Block Number-66,****Chitrakut Apartment, Sola Housing Society, Opposite Parasnagar,****Naranpura, Ahmedabad-380061, GUJARAT, INDIA.****Phone-07926452089, Mobile-9974745557****Email id:kukadiasanjay@rediffmail.com****PAN(PERMANENT ACCOUNT NUMBER) NUMBER-AMQPK0051R****Form No. MR-3****SECRETARIAL AUDIT REPORT**

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

To  
The Members,  
**Sanblue Corporation Limited**  
22, Government Society,  
Near Municipal Market, C. G. Road,  
Ahmedabad-380006.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sanblue Corporation Limited [CIN : L15400GJ1993PLC020073] (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies (Amendment) Act, 2017;
- (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;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008. : Not Applicable for the Financial Year 2017-18.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. ; and: Not Applicable for the Financial Year 2017-18.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-Not Applicable for the Financial Year 2017-18 .

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

- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/ industry are:
  - 1) Payment of Wages Act, 1936, and rules made thereunder;
  - 2) The Minimum Wages Act, 1948, and rules made thereunder
  - 3) Land Revenue laws of respective States

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India(Effective from July 1, 2015 and Revised version effective from October 1st, 2017) is applicable for the financial year 2017-2018.
- (ii) The Listing Agreements and Uniform Listing Agreement entered into by the Company with Bombay Stock Exchange Limited (BSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations noted against each legislation and the Company is having Registrar and Transfer Agent who provides electronic connectivity with Depositories and physical share transfer related work.

**We further report that :**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no changes in the composition of the Board of Directors during the period under review and the company has complied with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**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.

**I further report that :**

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditors and other designated professionals.

For, **SANJAY DAYALJI KUKADIA**  
Company Secretaries

Place : Ahmedabad  
Date : 29th May, 2018

-----  
[SANJAY DAYALJI KUKADIA]  
PROPRIETOR  
CP. NO. 11308

**Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.**

**SANJAY DAYALJI KUKADIA**  
(Practicing Company Secretary),  
Address: Flat number-787, Block Number-66,  
Chitrakut Apartment, Sola Housing Society, Opposite Parasnagar,  
Naranpura, Ahmedabad-380061, GUJARAT, INDIA.  
Phone-07926452089.Mobile-9974745557  
Email id:kukadiasanjay@rediffmail.com  
**PAN(PERMANENT ACCOUNT NUMBER) NUMBER-AMQPK0051R**

**ANNEXURE - A**

To  
The Members,  
**Sanblue Corporation Limited**  
22, Government Society,  
Near Municipal Market, C. G. Road,  
Ahmedabad - 380 006. Gujarat India.

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.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of 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, SANJAY DAYALJI KUKADIA**  
**Company Secretaries**

**Place : Ahmedabad**  
**Date : 29th May,2018**

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**[SANJAY DAYALJI KUKADIA]**  
**PROPRIETOR**  
**CP.NO. 11308**

**ANNEXURE - B****REMUNERATION POLICY :**

In accordance with the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees, which was approved and adopted by the Board.

**I. REMUNERATION TO EXECUTIVE DIRECTORS; KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT & OTHER EMPLOYEES:**

The Board of Directors and Nomination & Remuneration Committee (subject to applicable authorization from shareholders) is authorized to decide /recommend the remuneration and other terms of appointment of such Directors and Senior Management employees (one level below executive directors) and Key managerial Personnel and other employees of the Company. The remuneration structure shall inter alia, include salary, perquisites, retirement and/superannuation benefits as per policy decided by the management of the Company. Based on the performance appraisals, the changes in the remuneration shall be decided/recommended by the management/executive directors.

The remuneration on appointment and on appraisal based on the performance of other employees (other than senior management & Key Managerial Personnel) shall be decided by the functional head or business head from time to time considering the policy of the Company. The remuneration components shall include basic salary, allowances, perquisites, retirement benefits; pay as may be decided by the Management from time to time. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate employees at all levels, having regard to the industry practice.

**OTHER TERMS APPLICABLE TO EXECUTIVE DIRECTORS AND SENIOR & KEY MANAGEMENT EMPLOYEES**

- i. The Remuneration and terms of employments shall be fixed/ recommended in such a manner that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- ii. The remuneration shall involve a good balance between fixed and incentive pay (considering industry benchmark/practice) reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- iii. No director or executive should be directly involved in determining their own remuneration or performance evaluation.
- iv. The Executive Director, Whole time Director/ Managing Director and/or Senior Management Employee shall be eligible for advances/loans as per prevalent Policy of the Company subject to the applicable statutory provisions and approvals.

**II. REMUNERATION TO NON-EXECUTIVE DIRECTORS:**

Company is not paying remuneration to the non executive directors

**III. CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR MANAGEMENT :**

In accordance with the provisions of Section 178(3) of the Act read with Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee is required to formulate the criteria for determining qualifications, positive attributes and independence of a Director and senior management. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purpose is as under:

Criteria for determining qualifications, positive attributes and independence of a director:

**I. QUALIFICATIONS:**

- (a) He/ She should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

(b) Such qualifications as may be prescribed under the Companies Act, 2013 read with rules framed there under and the Listing Agreement with Stock Exchanges.

**A. Criteria for appointing a Director :**

- a. He/She should be a person of integrity, with high ethical standards.
- b. He/She should be able to commit to his responsibilities and devote sufficient time and attention to his professional obligation as a Director.
- c. He/She should be having positive thinking, courtesy, humility.
- d. He/She should be knowledgeable and diligent in updating his knowledge.
- e. He/She should have qualifications, skills, experience and expertise by which the Company can benefit.
- f. In respect of independent director, in addition to the above (a)to (e), he should fulfill the criteria for being appointed as an Independent Director prescribed under section 149 of the Companies Act, 2013 read with Schedule IV to the said Act.
- g. In respect of Executive/Whole time Director/Managing Director, in addition to above (a)to (f), he should have strong quality of leadership and team mentoring, recognition, management skills, vision, ability to steer the organization even in adverse conditions, innovative thinking, result oriented approach, ability to enhance reputation of the organization.

**B. Criteria for appointing a Senior Management Employee/ Key Managerial Personal:**

- a. He/She should have the required educational, qualification, skills and functional knowledge for the post and eye for detailing & compliance
- b. He/She should have integrity, humility, positive thinking, leadership qualities, sincerity, alert, hardworking, team building ability, good soft skills, transparency in dealings with the Company and other stakeholders.
- c. Screening of the potential conflicts of interest and independence.
- d. Detailed background information in relation to a potential candidate should be provided to all directors.
- e. The identification of potential candidates may be assisted by the use of external search organizations as may be considered appropriate.

**For and on behalf of the Board  
Sanblue Corporation Limited**

**(Jose Daniel)  
Chairman & Managing Director  
DIN: 03532474**

**Dat : 14/08/2018  
Place : Ahmedabad**

**ANNEXURE - C**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31/03/2018**

**Of**

**SANBLUE CORPORATION LIMITED**

[Pursuant to Section 92(3) of the Companies Act, 2013

**&**

Rule 12(1) of the Companies (Mgt. and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i) CIN: Foreign Company Registration Number/GLN	L15400GJ1993PLC020073 Not Applicable
ii) Registration Date [DDMMYY] <b>Name of the Company</b>	26/08/1993 SANBLUE CORPORATION LIMITED
iii) Category of the Company [Pl. tick]	<input checked="" type="checkbox"/> Public Company <input type="checkbox"/> Private Company
iv) Sub Category of the Company [ Please tick whichever are applicable]	1. Government Company 2. Small Company 3. One Person Company 4. Subsidiary of Foreign Company 5. NBFC 6. Guarantee Company 7. Limited by shares <input checked="" type="checkbox"/> 8. Unlimited Company 9. Company having share capital 10. Company not having share capital 11. Company Registered under Sec. 8

## V) NAME AND REGISTERED OFFICE ADDRESS OF COMPANY AND CONTACT DETAILS:

Address	22A, Government Servant Society, Near Municipal Market, C.G. Road
Town / City	Ahmedabad
State	Gujarat
Pin Code:	380009
Country Name :	India
Country Code	91
Telephone (With STD Area Code no)	079-26562055
Fax Number :	—
Email Address	inquiry@sanbluecorporation.com
Website	www.sanbluecorporation.com
Name of the Police Station having jurisdiction where the registered office is situated	Navrangpura Police Station
Address for correspondence, if different from address of registered office :	N.A.



vi) Whether shares listed on recognized Stock Exchange(s)  If yes, details of stock exchanges where shares are listed	Yes		
	SN	Stock Exchange Name	Code
	1	Bombay Stock Exchange	521222

**Vii) Name and Address of Registrar & Transfer Agents (RTA): Full address and contact details to be given.**

Registrar & Transfer Agents	Bigshare Services Private Limited
Address	A/802, Samudra Complex, Near Klassic Gold, Girish Cold Drink, C. G. Road,
Town / City	Ahmedabad
State	Gujarat
Pin Code:	380009
Telephone (With STD Area Code Number)	91-79-40024135
Fax Number :	Nil
Email Address	bssahd@bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Wholesale textile, fabric etc.	46695	98%
2	Consulting Income	6920	2%

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

[No. of Companies for which information is being filled]

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary / Associate
N.A.	N.A.	N.A.	N.A.

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

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter' s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2882700	-	2882700	57.66	2882700	-	2882700	57.66	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1):-</b>	<b>2882700</b>	<b>-</b>	<b>2882700</b>	<b>57.66</b>	<b>2882700</b>	<b>-</b>	<b>2882700</b>	<b>57.66</b>	<b>-</b>
<b>(2) Foreign</b>									
(a)NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b)Other-Individuals	-	-	-	-	-	-	-	-	-
(c)Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)Banks FI	-	-	-	-	-	-	-	-	-
(e)Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>2882700</b>	<b>-</b>	<b>2882700</b>	<b>57.66</b>	<b>2882700</b>	<b>-</b>	<b>2882700</b>	<b>57.66</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
l) Others (specify)(Trusts)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	75496	250	73746	1.48	26874	250	27124	0.54	(0.94)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	442721	193250	635971	12.72	425241	193200	618441	12.37	(0.35)
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	1285525	-	1285525	25.71	1347477	-	1347477	26.95	1.24
c) Others									
Clearing Members	508	-	508	0.01	2733	-	2733	0.05	0.04
Non Resident Indian (Repat+ Non Repat)	1350	69975	71325	1.43	1325	69975	71300	1.43	-
Overseas Bodies Corporates	-	49800	49800	1.00	-	49800	49800	1.00	-
<b>Sub-total (B)(2):-</b>	<b>1803600</b>	<b>313275</b>	<b>2116875</b>	<b>42.34</b>	<b>1803650</b>	<b>313225</b>	<b>2116875</b>	<b>42.34</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1803600</b>	<b>313275</b>	<b>2116875</b>	<b>42.34</b>	<b>1803050</b>	<b>313225</b>	<b>2116875</b>	<b>42.34</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>4686300</b>	<b>313275</b>	<b>4999575</b>	<b>100</b>	<b>4686350</b>	<b>313225</b>	<b>4999575</b>	<b>100</b>	<b>-</b>

**(3) Shareholding of Promoters**

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sanjiv Shah	2203950	44.08	Nil	2203950	44.08	Nil	Nil
2	Bhavesh Shah	378750	7.58	Nil	378750	7.58	Nil	Nil
3	Aanal R Bhow	300000	6.00	Nil	300000	6.00	Nil	Nil
	<b>TOTAL</b>	<b>2882700</b>	<b>57.66</b>	<b>Nil</b>	<b>2882700</b>	<b>57.66</b>	<b>Nil</b>	<b>Nil</b>

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

Sr No.	Promoters Name	at the beginning of the year		Changes			Cumulative during the year	
		No of shares at the beginning (01/04/2017)/ end of the year (31/03/2018)	% of Total Shares of the Company	Date	Increase /Decrease in share holding	Reason	No of shares	% of total shares of the Company
1					Nil			

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

Sr No.	Name of Shareholders	at the beginning of the year		Changes			Cumulative during the year	
		No of shares at the beginning (01/04/2017) /end of the year (31/03/2018)	% of Total Shares of the Company	Date	Increase /Decrease in share holding	Reason	No of shares	% of total shares of the Company
1	Arunkumar K. Patel	180000 180000	3.60 3.60	Nil	Nil	Nil	Nil	Nil
2	Karsandas M. Patel	180000 180000	3.60 3.60	Nil	Nil	Nil	Nil	Nil
3	Hemant L. Patel	180000 180000	3.60 3.60	Nil	Nil	Nil	Nil	Nil
4	Laljibhai M. Patel	180000 180000	3.60 3.60	Nil	Nil	Nil	Nil	Nil
5	Nitin K. Patel	180000 180000	3.60 3.60	Nil	Nil	Nil	Nil	Nil
6	Maharshee Munshaw	240225 240225	4.80 4.80	Nil	Nil	Nil	Nil	Nil
7	Pashupati Securities Mauritius Ltd	49800 49800	1.00 1.00	Nil	Nil	Nil	Nil	Nil
8	Soni S. Jamnadas (HUF)	30000 30000	0.60 0.60	Nil	Nil	Nil	Nil	Nil
9	Fenil Shah	23100 23100	0.46 0.46	Nil	Nil	Nil	Nil	Nil
10	Jyotsnaben Shah	23100 23100	0.46 0.46	Nil	Nil	Nil	Nil	Nil

## (v) Shareholding of Directors and Key Managerial Personnel :

Sr No.	Name of Promoters	at the beginning of the year		Changes			Cumulative during the year	
		No of shares at the beginning (01/04/2017) /end of the year (31/03/2018)	% of Total Shares of the Company	Date	Increase /Decrease in share holding	Reason	No of shares	% of total shares of the Company
1	Sanjiv Shah	2203950 2203950	44.08 44.08	Nil	Nil	Nil	Nil	Nil
2	Jose Daniel	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Krina Shah	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Rajesh Shah	18025 18025	0.36 0.36	Nil	Nil	Nil	Nil	Nil
5	Yogesh Shah	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Jigar Shah	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rs. in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
* Addition	Nil	200.00	Nil	200.00
* Reduction	Nil	200.00	Nil	200.00
<b>Net Change</b>	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(In Rs.)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1.	Gross salary	Jose Daniel	6,00,000/-
2.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total (A)	-	6,00,000/-

## B. Remuneration to other directors

Sr No.	Particulars of Remuneration	Name of Independent / Non-Executive Director
1	Independent Directors Fee for attending board committee meetings	<b>NIL</b>
	Commission	
	Others, please specify	
	Total (1)	
2	Other Non-Executive Directors Fee for attending board committee meetings	
	Commission	
	Others, please specify	
	Total (2)	
	Total (B)=(1+2)	
	Total Managerial Remuneration	
	Overall Ceiling as per the Act	

C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD (Amount In Rs.)

Sr No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	Jose Daniel	Jekil Pancholi	Dhaval Sheth	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000/-	5,40,000/-	2,42,000/-	13,82,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>6,00,000/-</b>	<b>5,40,000/-</b>	<b>2,42,000/-</b>	<b>13,82,000/-</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

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

For and on behalf of the Board  
Sanblue Corporation Limited(Jose Daniel)  
Chairman & Managing Director  
DIN: 03532474Date: 14/08/2018  
Place: Ahmedabad

**ANNEXURE - D****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A. Industry structure and developments**

In the Year 2017-2018 Indian rupee has seen some appreciation. This affected revenues of textile players negatively as for many of them, a major chunk of revenue comes from exports. Rising cotton prices following the pink bollworm infestation in the cotton crops, has affected margins to major textile players by this year.

**B. Opportunities and Threats**

Your Company being trading of Fabrics, dress materials, man-made fibers, cotton fibers, textiles , related products and also provide services as a Consultants to corporate bodies, individual and others in commercial and industrial management. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players.

**C. Segment-wise Performance**

The Company is mainly doing single segments activities, hence the requirement of segment-wise reporting is considered irrelevant.

**D. Risks and Concerns**

Business risk like late payments, high interest cost , locality or a particular trade due to some external reasons. These reasons could be political, communal, failure of an industry /trade, etc. The risk that competitive forces will reduce revenue (e.g. a price war). Risk for increase import duty, change international textile sector etc.

**E. Internal Finance Control Systems their adequacy**

The Company has satisfactory internal control system. The Company has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management.

**F. Financial Performance with respect to Operational Performance****• Share Capital**

The paid up equity share capital of the Company as on March 31, 2018 stands at Rs. 49995750 divided into 4999575 equity shares of Rs. 10/- each fully paid up

**• Net Worth**

The Net Worth of the Company increase from Rs. 841.75 Lacs to Rs. 1419.91 lacs.

**• Secured Loans**

During the year under review, Company has not obtained any secured loan.

**• Total Income**

The total Revenue of the Company during the year has increased from Rs. 180.06 Lacs to Rs. 651.57 Lacs.

**G. Human Resources**

There has been no material development on the Human Resource/ Industrial Relations front during the year. As on 31st March 2018 the Company has limited employees only.

**For and on behalf of the Board  
Sanblue Corporation Limited**

**(Jose Daniel)  
Chairman & Managing Director  
DIN: 03532474**

**Date: 14/08/2018  
Place: Ahmedabad**



**ANNEXURE - E**

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

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

<b>Name of Directors</b>	<b>Designation</b>	<b>Ratio of remuneration of the Directors to the median remuneration of the Employees</b>
Mr. Jose Daniel	Managing Director	1.06

- b. The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year.:

<b>Name of Directors, CFO, CEO, Company Secretary, Manager</b>	<b>Designation</b>	<b>% increase in remuneration</b>
Jose Daniel	CEO & Managing Director	Nil
Dhaval Sheth	CFO	Nil
Jekil Pancholi	Company Secretary	Nil

- c. The percentage increase in the median of employees in the financial year : **NIL**
- d. The number of permanent employees on the rolls of the Company.: **4**
- e. Average Percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the Managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration : **Nil**
- f. The Key parameters for any variable component of remuneration availed by the Directors ; There are no variable components in remuneration package availed by the directors.
- g. Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms remuneration is as per the remuneration policy of the Company.

There is no employee covered under section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**For and on behalf of the Board  
Sanblue Corporation Limited**

**Date: 14/08/2018  
Place: Ahmedabad**

**(Jose Daniel)  
Chairman & Managing Director  
DIN: 03532474**

## INDEPENDENT AUDITOR'S REPORT

### To the members of SANBLUE CORPORATION LTD

#### Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of SANBLUE CORPORATION LTD ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income) and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its profit (including Other Comprehensive Income) and its cash flows and the changes in equity for the year ended on that date.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in Paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income) , the Cash Flow Statement and the statement of changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigation which would have impact on its financial position.
  - ii. The Company did not have any long term contracts, including derivate contracts for which there were any material foreseeable losses.
  - iii. Company During the year, the Company is not required to transfer any amount to the Investor Education and Protection Fund.

**For KANTILAL PATEL & CO.,  
CHARTERED ACCOUNTANTS  
Firm Reg. No. : 104744W**

**Date : May 29, 2018**

**Place : Ahmedabad**

**Jinal A Patel**

**Partner**

**Membership No.: 153599**

## Annexure - A

### Annexure referred to in paragraph under the heading “Report on other legal and regulatory requirements” of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
  - (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
  - (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company, as applicable.
  - (v) According to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of section 73 to 76 of the Act and the Rules framed under. Therefore, the provision of clause 3(v) of the order is not applicable.
  - (vi) The maintenance of cost records has not been specified by Central Government under section 148(1) of the companies Act, 2013.
  - (vii) (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, employee state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess, Goods & Services Tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, Goods & Services Tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, and on the basis of our examination of the records of the company, there are no any disputed dues in respect of sales Tax, income tax, service tax, value added tax, custom duty and excise duty / cess, goods & service tax deposited with the appropriate authorities.
- (viii) In our opinion and according to information and explanation given to us, the company does not have any loans or borrowing from bank, financial institutions or government and has not issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.
- (xiii) Based on our examination of records of the company and according to the information and explanations given to us, the transactions with related parties are in compliance with the Provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) 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, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For KANTILAL PATEL & CO.,  
CHARTERED ACCOUNTANTS  
Firm Reg. No. : 104744W**

**Date : May 29, 2018  
Place : Ahmedabad**

**[Jinal A Patel]  
Partner  
Membership No.: 153599**

## **Annexure - B**

### **Annexure to the independent auditor's report of even date on the Ind AS financial statements of "SANBLUE CORPORATION LTD"**

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

We have audited the internal financial controls over financial reporting of SANBLUE CORPORATION LTD. ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

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

**For KANTILAL PATEL & CO.,  
CHARTERED ACCOUNTANTS  
Firm Reg. No. : 104744W**

**Date : May 29, 2018  
Place : Ahmedabad**

**[Jinal A Patel]  
Partner  
Membership No.: 153599**

## Balance Sheet as at 31st March, 2018

(Amount in '000)

Sr. No	Particulars	Note No.	As at 31.3.2018 (Rs.)	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
	<b>ASSETS</b>				
(1)	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment	3	6,084.85	6,224.63	6,381.91
	(b) Financial Assets				
	(i) Investments	4	145,954.19	81,278.32	70,981.27
	<b>Total Non-current assets</b>		<b>152,039.04</b>	<b>87,502.95</b>	<b>77,363.18</b>
(2)	<b>Current assets</b>				
	(a) Financial assets				
	(i) Investments	5	1,105.40	500.00	-
	(ii) Trade receivables	6	-	-	7,307.97
	(iii) Cash and cash equivalents	7	3,691.52	903.81	6,469.72
	(b) Other current assets	8	14.00	14.00	1.37
	<b>Total current assets</b>		<b>4,810.92</b>	<b>1,417.81</b>	<b>13,779.06</b>
	<b>TOTAL ASSETS</b>		<b>156,849.96</b>	<b>88,920.76</b>	<b>91,142.24</b>
	<b>EQUITY AND LIABILITIES</b>				
(1)	<b>Equity</b>				
	(a) Equity share capital	9	49,995.75	49,995.75	49,995.75
	(b) Other equity	10	91,995.38	34,179.71	30,175.22
	Total equity attributable to owners of the company		<b>141,991.13</b>	<b>84,175.46</b>	<b>80,170.97</b>
(2)	<b>Non-current liabilities</b>				
	(a) Deferred tax liabilities (Net)	11	14,552.54	4,511.27	3,243.54
	<b>Total non-current liabilities</b>		<b>14,552.54</b>	<b>4,511.27</b>	<b>3,243.54</b>
(3)	<b>Current liabilities</b>				
	(a) Financial liabilities				
	(i) Trade payables	12	210.59	221.20	7,348.88
	(b) Other current liabilities	13	70.70	12.83	25.86
	(c) Liabilities for current tax (Net)	14	25.00	-	352.99
	<b>Total current liabilities</b>		<b>306.29</b>	<b>234.03</b>	<b>7,727.73</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>156,849.96</b>	<b>88,920.76</b>	<b>91,142.24</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date

**FOR KANTILAL PATEL & CO.**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration No. 104744W

**Jinal A. Patel**  
 Partner  
 Membership No.: 153599

**FOR SANBLUE CORPORATION LIMITED**

**Managing Director**  
**Jose Daniel**  
 DIN : 03532474

**CFO**  
**Dhaval Sheth**

**Director**  
**Sanjiv Shah**  
 DIN : 00256817

**Company Secretary**  
**Jekil Pancholi**  
 Mem No : A37920

Place : Ahmedabad  
 Date : 29/05/2018

Place : Ahmedabad  
 Date : 29/05/2018



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

(Amount in '000)

Particulars		Note No.	For the Year ended 31-03-2018 (Rs.)	For the Year ended 31-03-2017 (Rs.)
I.	<b>REVENUE</b>			
	Revenue from Operations	15	64,036.31	17,371.56
	Other Income	16	1,121.38	635.05
	<b>Total Revenue (I)</b>		<b>65,157.69</b>	<b>18,006.61</b>
II	<b>EXPENSES</b>			
	Purchase of stock in trade	17	63,165.49	17,052.86
	Employee benefits expense	18	1,689.00	1,568.40
	Finance costs	19	3.70	112.53
	Depreciations and amortization Expenses	3	165.40	157.29
	Other Expenses	20	1,160.92	936.30
	<b>Total Expenses (II)</b>		<b>66,184.51</b>	<b>19,827.38</b>
III	Profit before exceptional Items and tax (I-II)		(1,026.82)	(1,820.77)
IV	Exceptional Items		-	-
V	Profit before tax (III-IV)		<b>(1,026.82)</b>	<b>(1,820.77)</b>
VI	Tax expense :			
	(1) Current tax net of MAT credit		-	(6.23)
	(2) Deferred tax		-	-
	Total tax expenses		-	(6.23)
VII	Profit for the year		<b>(1,026.82)</b>	<b>(1,827.00)</b>
	Other Comprehensive Income			
	(i) Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods :			
	a. Remeasurements of Investment (net of tax)		58,842.49	5,831.49
	(ii) Other Comprehensive Income that will be reclassified to profit or loss in subsequent periods :		-	-
VIII	Total Other Comprehensive Income (i+ii)		<b>58,842.49</b>	<b>5,831.49</b>
<b>IX</b>	<b>Total Comprehensive Income for the year (VII+VIII)</b>		<b>57,815.67</b>	<b>4,004.49</b>
	Earning per share (Face Value of 10 each)			
	-Basic & Diluted	24	(0.21)	(0.37)

The accompanying notes form an integral part of the financial statements

As per our report of even date  
**FOR KANTILAL PATEL & CO.**  
**CHARTERED ACCOUNTANTS**  
 Firm Regn. No. 104744W

**Jinal Patel**  
**Partner**  
 Membership No.: 153599

**FOR SANBLUE CORPORATION LIMITED**

**Managing Director**  
**Jose Daniel**  
 DIN : 03532474

**CFO**  
**Dhaval Sheth**

**Director**  
**Sanjiv Shah**  
 DIN : 00256817

**Company Secretary**  
**Jekil Pancholi**  
 Mem No : A37920

Place : Ahmedabad  
 Date : 29/05/2018

Place : Ahmedabad  
 Date : 29/05/2018

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

(Amount in '000)

Particulars	Attributable to the equity holders of the company				
	Reserves & Surplus			Items of Other Comprehensive Income	Total
	Equity share capital	Retained Earnings		Fair value of Investment through OCI	
		General reserve	Net Surplus in Statement of Profit & Loss		
As at April 1, 2016	49,995.75		17,665.78	12,509.44	80,170.97
Add : Profit for the year			(1,827.00)	-	(1,827.00)
Add [Less]: Other Comprehensive income (Fair value gain on investment)				5,831.49	5,831.49
Total Comprehensive Income				-	-
<b>As at March 31, 2017</b>	<b>49,995.75</b>	<b>-</b>	<b>15,838.78</b>	<b>18,340.93</b>	<b>84,175.46</b>
Add: Profit for the year			(1,026.82)		(1,026.82)
Add [Less] : Other Comprehensive income				58,842.49	58,842.49
Total Comprehensive Income					-
<b>As at March 31, 2018</b>	<b>49,995.75</b>	<b>-</b>	<b>14,811.96</b>	<b>77,183.42</b>	<b>141,991.13</b>

For and on behalf of the Board of Directors

The accompanying notes form an integral part of the financial statements

As per our report of even date

**FOR KANTILAL PATEL & CO.**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn. No. 104744W**

**FOR SANBLUE CORPORATION LIMITED**

**Jinal Patel**  
**Partner**  
**Membership No.: 153599**

**Managing Director**  
**Jose Daniel**  
**DIN : 03532474**

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**Sanjiv Shah**  
**DIN : 00256817**

**Company Secretary**  
**Jekil Pancholi**  
**Mem No : A37920**

**Place : Ahmedabad**  
**Date : 29/05/2018**

**Place : Ahmedabad**  
**Date : 29/05/2018**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Amount in '000)

Particulars	2017-18 (Rs.)	2016-17 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before tax	(1,026.82)	(1,820.77)
<b>Adjustment for :</b>		
Depreciation	165.40	157.29
Long Term Capital Gain	-	-
Short Term Capital Gain	(371.64)	(133.70)
Dividend Received	(581.74)	(352.85)
Operating income before working capital changes	(1,814.80)	(2,150.03)
<b>Adjustment for : Changes in Working Capital</b>		
Decrease/ (Increase) in Trade Receivable	-	7,307.97
Increase/ (Decrease) in Trade Payable	(10.61)	(7,127.68)
Increase/ (Decrease) Other Current Liability	57.87	(13.03)
Decrease /(Increase) in Short term advances	-	(12.63)
<b>Cash used in operating Activities</b>	(1,767.54)	(1,995.40)
<b>Less: Direct Taxes paid/ Refund Received</b>	(4,720.00)	(359.23)
<b>Net Cash used in operating Activities</b>	(6,487.54)	(2,354.63)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Dividend Received	581.74	352.85
Purchase of investments	(52,205.79)	(9,881.23)
Net Purchase of Mutual Fund	(233.76)	(366.30)
Sale proceeds from investments	61,158.68	6,683.41
Purchase of property, plant & equipments	(25.62)	-
<b>Net Cash used in investing Activities</b>	9,275.25	(3,211.27)
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES :</b>	-	-
<b>Net Cash from Financial Activities</b>	-	-
<b>Net Increase/(Decrease) on cash &amp; Cash Equivalents</b>	2,787.71	(5,565.90)
Opening Balance of Cash & Cash Equivalents at the beginning of the year	903.81	6,469.72
Closing Balance of Cash & Cash Equivalents at the End of the Year	3,691.52	903.82
Cash on Hand	40.05	57.34
Bank Balance	3,651.47	846.47
Total cash and cash equipments (note 7)	3,691.52	903.81

Note :

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.

## 2. Amendment to Ind AS 7

The Amendments to Ind AS 7 Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities , including both changes arising from cashflows and non cash changes, suggesting inclusion of a reconciliation between the operating and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April,2017 and the required disclosure is made below. There is no other impact on the financial statement due to this amendment.

Particulars	As at 31.03.2017	Cash Flows	Non Cash Changes		As at 31.03.2018
			Fair Value Changes	Current/Non Current classification	
Borrowings Non Current	-	-	-	-	-
Other financial liabilities Current	12.83	57.87	-	-	70.70
Borrowings Current	-	-	-	-	-

As per our report of even date

**FOR KANTILAL PATEL & COMPANY**  
**CHARTERED ACCOUNTANTS**  
 Firm Regn. No. 104744W

**Jinal A. Patel**  
 Partner  
 Membership No.: 153599

Place : Ahmedabad  
 Date : 29/05/2018

**FOR SANBLUE CORPORATION LIMITED**

**Managing Director**  
**Jose Daniel**  
 DIN : 03532474

**Director**  
**Sanjiv Shah**  
 DIN : 00256817

Place : Ahmedabad  
 Date : 29/05/2018

**CFO**  
**Dhaval Sheth**

**Company**  
**Secretary**  
**Jekil Pancholi**  
 Mem No : A37920

**Notes to Financial Statements for the year ended 31st March, 2018****1. Company Information**

"Sanblue Corporation Limited ("the Company") was incorporated in India on August 26, 1993. The company is primarily engaged in the Trading business and providing consulting services."

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of Preparation of Financial Statements :****(i) Compliance with Ind-AS**

"The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements up to year ended 31st, March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is April 1, 2016. Refer Note 3.4 for the details of significant exemptions availed by the Company on first-time adoption of Ind AS and for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows."

"The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities (including derivative instruments) which have been measured at the fair value amount : historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36."

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**(ii) Current versus 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.

**(iii) Rounding of amounts**

The financial statements are presented in INR and all values are rounded to the '000 as per the requirement of Schedule III, unless otherwise stated.

**2.2 Use of Estimates :**

"The preparation of financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure. Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected. Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of: 1. Impairment of property, plant and equipment as well as intangible assets (refer note no. 2.8) 2. Expense Provisions & contingent liabilities (refer note no. 2.9)"

### 2.3 Critical estimates and judgments

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

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgment are :  
Estimation of current tax expenses - refer note 2.6

### 2.4 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value as per Ind AS 113 at each balance sheet date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.5 Revenue recognition

Dividends

Dividend income from investment is accounted for when the right to receive is established, which is generally when shareholders approve the dividend.

Other Income :

Revenue from consultancy, rental & interest income are recognized on mercantile system

### 2.6 Taxes

Tax expenses comprise of current and deferred tax.

#### Current income tax

- a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b Current tax items are recognised in correlation to the underlying transaction either in P&L, OCI or directly in equity.

#### Deferred tax

- a Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- b Deferred tax liabilities are recognised for all taxable temporary differences.

- c Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.
- d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- e "Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date."
- f Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.
- h The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent, the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT credit.

## 2.7 Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), fixed assets (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, directly attributable cost of bringing the asset to its working condition for the intended use. The Company has elected to regard previous GAAP carrying values of property as deemed cost at the date of transition to IndAS.AS.

Depreciation on Office Equipment, Computer, Mobile Phone & Printer has been provided on Straight Line method at the rate prescribed in schedule II of the Companies Act 2013. Depreciation on Fixed Assets added/disposed off during the year is provided on pro-rata basis.

## 2.8 Impairment of financial assets & non-financial assets

### a. Financial asset

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

### b. Non-financial assets

Intangible assets and Property, Plant and Equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior year.

## 2.9 Provisions, Contingent Liabilities and Contingent Assets :

- A Provisions are recognised when the Company has present obligation (legal or constructive) as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent Liabilities are disclosed by way of notes to Financial Statements. Contingent assets are not recognised in probable. Provisions and contingent liabilities are reviewed at each Balance Sheet date.
- B If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

## 2.10 Employee benefits

Short term employee benefits like salaries are provided on accrual basis. The provident fund, E.S.I and Gratuity are not applicable to the company.

## 2.11 Financial instruments

### Investments and other financial assets

#### (i) Classification

The Company classifies its financial assets in the 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 amortised 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 Other comprehensive income are expensed in the Statement of Profit and Loss.

#### Debt instruments :

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories :

#### (1) Amortised cost :

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

#### (2) Fair value through other comprehensive Income :

Assets that do not meet the criteria for amortised cost are measured at fair value through Other Comprehensive Income. Interest income from these financial assets is included in other income.

#### Equity instruments :

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through Other Comprehensive Income. However where the Company's management makes



an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

**Financial liabilities :**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

**2.12 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**2.13 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**2.14 Note on First Time Adoption of Ind AS :**

The accounting policies set out in the note here have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 .

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies [Accounting Standards] Rules, 2006 [as amended] and other relevant provisions of the Act [Indian GAAP]. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following notes.

Exemptions and exceptions availed :

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

**Optional exemptions :****A Deemed cost :**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying values.

**Mandatory exceptions :****B Estimates :**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP [after adjustments to reflect any difference in accounting policies], unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 and March 31, 2017 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- a. Investment in equity instruments carried at FVTOCI.
- b. Investment in debt instruments carried at Amortised Cost.
- c. Impairment of financial assets based on expected credit loss model.

**C Classification and measurement of financial assets :**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**D De-recognition of financial assets and liabilities :**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company's management had previously issued its audited financial results for the year ended March 31, 2017 on May 30, 2017, that were all prepared in accordance with the recognition and measurement principles of the Companies (Accounting Standards) Rules, 2006 prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India. The Company's management has now prepared the Ind AS Financial Statements for the year ended March 31, 2018 in accordance with the recognition and measurement principles laid down by the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder and other accounting principles generally accepted in India.

The Company has prepared a reconciliation of the amounts of net profit as reported under the Indian GAAP to those computed as per Ind AS and the same is given in note below. The Company has also prepared a reconciliation of the amounts of total equity as reported under the Indian GAAP to those computed as per Ind AS and the same is given in note below.

**2.15 Note on Transition to Ind AS - Reconciliations**

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101 :

- I. Reconciliation of Equity as at 1st April, 2016
- II. A. Reconciliation of Equity as at 31st March, 2017
  - B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017
- III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.

## I. Reconciliation of Equity as at 1st April, 2016

(In '000)

Sr. No.	Particulars	Foot Note	As at 1st April, 2016 (Date of transition)		
			I GAAP	Adjustment	INDAS
<b>I</b>	<b>ASSETS</b>				
(1)	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment	E	-	6,381.91	6,381.91
	(b) Capital work-in-progress				
	(c) Intangible assets				
	(d) Financial assets				
	(i) Investments	B	55,228.29	15,752.98	70,981.27
	(ii) Other financial assets				
	(e) Non-current tax assets (Net)				
	(f) Other assets - defferd tax		-	-	-
	<b>Total non-current assets</b>		<b>55,228.29</b>	<b>22,134.89</b>	<b>77,363.18</b>
(2)	<b>Current assets</b>				
	(a) Inventories				
	(b) Financial assets				
	(i) Investments				
	(ii) Trade receivables		7,307.97	-	7,307.97
	(iii) Cash and cash equivalents		6,469.71	-	6,469.72
	(iv) Bank balances other than cash & cash equivalents		-	-	-
	(v) Other financial assets		-	-	-
	(c) Other assets	E	9,267.43	(9,266.06)	1.37
	<b>Total current assets</b>		<b>23,045.12</b>	<b>(9,266.06)</b>	<b>13,779.06</b>
	<b>TOTAL ASSETS</b>		<b>78,273.41</b>	<b>12,868.84</b>	<b>91,142.24</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>				
(1)	(a) Equity share capital		49,995.75	-	49,995.75
	(b) Other equity	G	20,549.91	9,625.30	30,175.21
	<b>Total equity attributable to owners of the company</b>		<b>70,545.66</b>	<b>9,625.30</b>	<b>80,170.96</b>
(2)	<b>Non-current liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings				
	(b) Provisions				
	(c) Deferred tax liabilities (Net)			3,243.54	3,243.54
	(d) Other liabilities				
	(e) Government grant				
	<b>Total non-current liabilities</b>		<b>-</b>	<b>3,243.54</b>	<b>3,243.54</b>
(3)	<b>Current liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings				
	(ii) Trade payables		7,348.90	-	7,348.90
	(iii) Other financial liabilities		25.86	-	25.86
	(b) Other liabilities		-	-	-
	(c) Provisions	E	352.99	(352.99)	-
	(d) Liabilities for current tax (Net)	E	-	352.99	352.99
	<b>Total current liabilities</b>		<b>7,727.74</b>	<b>-</b>	<b>7,727.74</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>78,273.41</b>	<b>12,868.84</b>	<b>91,142.24</b>

## II. A. Reconciliation of Equity as at 31st March, 2017

(In '000)

Sr. No.	Particulars	Foot Note	As at 1st April, 2017 (Date of transition)		
			IGAAP	Adjustment	INDAS
<b>I</b>	<b>ASSETS</b>				
(1)	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment	E	-	6,224.63	6,224.63
	(b) Capital work-in-progress		-	-	-
	(c) Intangible assets		-	-	-
	(d) Financial assets		-	-	-
	(i) Investments	B	60,876.15	20,402.17	81,278.32
	(ii) Other financial assets				
	(e) Non-current tax assets (Net)				
	(f) Other assets - Deferred tax			-	-
	<b>Total non-current assets</b>		<b>60,876.15</b>	<b>26,626.79</b>	<b>87,502.95</b>
(2)	<b>Current assets</b>				
	(a) Inventories				
	(b) Financial assets				
	(i) Investments	E	-	500.00	500.00
	(ii) Trade receivables	E	14.00	(14.00)	-
	(iii) Cash and cash equivalents		903.81	-	903.81
	(iv) Bank balances other than cash & cash equivalents		-	-	-
	(v) Other financial assets		-	-	-
	(c) Other assets	E	9,266.06	(9,252.06)	14.00
	<b>Total current assets</b>		<b>10,183.87</b>	<b>(8,766.06)</b>	<b>1,417.81</b>
	<b>TOTAL ASSETS</b>		<b>71,060.02</b>	<b>17,860.73</b>	<b>88,920.76</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>				
(1)	(a) Equity share capital		49,995.75	-	49,995.75
	(b) Other equity	G	20,830.25	13,349.46	34,179.71
	<b>Total equity attributable to owners of the company</b>		<b>70,826.00</b>	<b>13,349.46</b>	<b>84,175.46</b>
(2)	<b>Non-current liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings				
	(b) Provisions				
	(c) Deferred tax liabilities (Net)			4,511.27	4,511.27
	(d) Other liabilities				
	(e) Government grant				
	<b>Total non-current liabilities</b>		<b>-</b>	<b>4,511.27</b>	<b>4,511.27</b>
(3)	<b>Current liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings				
	(ii) Trade payables		221.19	-	221.19
	(iii) Other financial liabilities		-	-	-
	(b) Other liabilities		12.83	-	12.83
	(c) Government grant		-	-	-
	(d) Provisions		-	-	-
	(e) Liabilities for current tax (Net)				
	<b>Total current liabilities</b>		<b>234.03</b>	<b>-</b>	<b>234.03</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>71,060.02</b>	<b>17,860.73</b>	<b>88,920.76</b>

## B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

(In '000)

Sr. No.	Particulars	Foot Note	For the year ended 31st March, 2017		
			IGAAP	Adjustment	INDAS
<b>I</b>	<b>REVENUE</b>				
	Revenue from Operations		17,371.56	-	17,371.56
	Other Income	B	2,585.09	(1,950.04)	635.04
	<b>Total Income (I)</b>		<b>19,956.64</b>	<b>(1,950.04)</b>	<b>18,006.60</b>
<b>II</b>	<b>EXPENSES</b>				
	Cost of materials consumed		17,052.86	-	17,052.86
	Purchases of Stock-in-Trade		-	-	
	"Changes in inventories of finished goods, Stock-in -Trade and work-in- progress"		-	-	
	Excise duty on sale of goods		-	-	
	Employee benefits expense		1,568.40	-	1,568.40
	Finance costs		112.52	-	112.52
	Depreciation and amortization expense	E	-	157.29	157.29
	Other expenses		936.30	-	936.30
	<b>Total Expenses (II)</b>		<b>19,670.08</b>	<b>157.29</b>	<b>19,827.37</b>
III	Profit before exceptional items and tax (I-II)		286.56		(1,820.77)
IV	Exceptional Items				
<b>V</b>	<b>Profit before tax (III-IV)</b>		<b>286.56</b>	<b>(2,107.33)</b>	<b>(1,820.77)</b>
VI	<b>Tax Expense :</b>				
	(1) Current tax		(6.23)		(6.23)
	(2) Deferred tax		-	-	-
	<b>Total Tax Expenses</b>		<b>(6.23)</b>		<b>(6.23)</b>
<b>VII</b>	<b>Profit for the year</b>		<b>280.33</b>	<b>(2,107.33)</b>	<b>(1,827.00)</b>
	<b>Other Comprehensive Income</b>				
	(i) Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods:				
	(a) Remeasurements of investment (net of tax)		-	5,831.49	5,831.49
	Income Tax effect				
			-	<b>5,831.49</b>	<b>5,831.49</b>
	(ii) Other Comprehensive Income that will be reclassified to profit or loss in subsequent periods:				
			-	-	-
VIII	Total Other Comprehensive Income (i-ii)	D	-	5,831.49	5,831.49
<b>IX</b>	<b>Total Comprehensive Income for the year(VII+VIII)</b>	<b>F</b>	<b>280.33</b>	<b>3,724.16</b>	<b>4,004.49</b>

## III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

(In '000)

Particulars	Amount as per previous GAAP	Effects of transition to INDAS	Amount as per INDAS
Net cash generated from/(used in) operating activities	(2,354.63)	-	(2,354.63)
Net cash generated from/(used in) investing activities	(3,211.27)	-	(3,211.27)
Net cash generated from/(used in) financing activities	-	-	-
Net increase/(decrease) in cash and cash equivalents	(5,565.90)	-	(5,565.90)
Cash and cash equivalents at start of year/period	6,469.71	-	6,469.72
Cash and cash equivalents at close of year/period	903.82	-	903.82

## Notes :

To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.

## Foot Note to the Reconciliations

**A Fair valuation for Financial Assets & Financial Liabilities :**

Certain investments (other than investments in subsidiaries, joint ventures and associates) have been measured at fair value through Other comprehensive income and resultant gain/(loss) has been recognised in other comprehensive income (OCI).

**B Fair Valuation of equity instruments**

Under Indian GAAP, the Company accounted for long term investments in unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has classified such investments as FVTOCI investments. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as an adjustment to OCI net of related deferred taxes.

**C Deferred Tax :**

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the Indian GAAP) for computation of deferred taxes has resulted in charge to Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss account for the subsequent periods.

**E Reclassification as per requirement of Ind AS :**

Reclassification have been done in respective heads as per requirement of Indian Accounting Standards (Ind AS).

**F Reconciliation of total comprehensive income between previously reported (referred as "Indian GAAP") and Ind AS for the year ended March 31, 2017 is presented as under**

(In '000)

Description	Year Ended 31st March, 2017
(I) Net Profit as per previously applicable Indian GAAP	280.33
(i) Impact of measuring Non-current Investments at Fair Value through Other comprehensive income (FVTOCI)	(1,950.04)
(iii) Depreciation on assests classifies to Property, plant & equipments	(157.29)
(iv) Tax impact on Ind AS Adjustments	-
<b>Net Profit before OCI as per IND-AS</b>	<b>(1,827.00)</b>
(II) Other comprehensive Income (OCI) (Net of Tax)	5,831.49
<b>Total</b>	<b>4,004.49</b>

## G Reconciliation of Equity :

(In '000)

Description	As at 31st March, 2017	As at 1st April, 2016
<b>(I) Equity as per previously applicable Indian GAAP</b>	70,826.00	70,545.68
(i) Impact of measuring Non-current Investments at Fair Value through other comprehensive income (FVTOCI)	20,902.17	15,752.98
(ii) Impact of measuring Current Investments at Fair Value through Profit or Loss (FVTPL)	-	-
(iii) Impact due to depreciation on PPE	(3,041.43)	(2,884.15)
(iii) Tax impact on IndAs Adjustments	(4,511.28)	(3,243.54)
<b>Equity as per IND-AS</b>	<b>84,175.46</b>	<b>80,170.97</b>

## 3 Property, Plant and Equipment (Refer Note No 2.7 &amp; 25)

(In '000)

Gross Carrying Amount	Freehold Land	Building	Plant and Equipment	Office Equipment -Computers	Total
Deemed cost as at 1st April, 2016	3,746.65	4,973.55	545.86	-	9,266.06
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>At 31st March, 2017</b>	<b>3,746.65</b>	<b>4,973.55</b>	<b>545.86</b>	<b>-</b>	<b>9,266.06</b>
Additions	-	-	-	25.62	25.62
Disposals	-	-	-	-	-
<b>At 31st March, 2018</b>	<b>3,746.65</b>	<b>4,973.55</b>	<b>545.86</b>	<b>25.62</b>	<b>9,291.68</b>
<b>Depreciation</b>					
At 1st April, 2016	-	2,365.58	518.57	-	2,884.15
Depreciation charge for the year	-	157.29	-	-	157.29
Disposals	-	-	-	-	-
<b>At 31 Mar 2017</b>	<b>-</b>	<b>2,522.87</b>	<b>518.57</b>	<b>-</b>	<b>3,041.43</b>
Depreciation charge for the year	-	157.29	-	8.11	165.40
Disposals	-	-	-	-	-
<b>At 31 Mar 2018</b>	<b>-</b>	<b>2,680.15</b>	<b>518.57</b>	<b>8.11</b>	<b>3,206.83</b>
<b>Net carrying value</b>					
<b>At 31st March, 2018</b>	<b>3,746.65</b>	<b>2,293.40</b>	<b>27.29</b>	<b>17.51</b>	<b>6,084.85</b>
<b>At 31st March, 2017</b>	<b>3,746.65</b>	<b>2,450.68</b>	<b>27.29</b>	<b>-</b>	<b>6,224.63</b>
<b>At 31st March, 2016</b>	<b>3,746.65</b>	<b>2,607.97</b>	<b>27.29</b>	<b>-</b>	<b>6,381.91</b>

## Note :-

The company has applied the optional exemption to measure its Property, Plant & Equipment at the date of transitional at their previous GAAP carrying amount and used it as the deemed cost for such assets.

## 4 Non-current Investments

(In '000)

	31st March 2018	31st March 2017	1st April 2016
<b>(I) (i) Investment in Equity Instruments (Quoted) (Valued at Fair Value through OCI)</b>			
3677 [31st March, 17: 9056 ] [1st April, 2016 : 22771] Alkly Amines & chemicals Ltd of RS.5/- each fully paid up	2,184.32	4,096.93	7,096.58
40600 [31st March, 17: 40600 ] [1st April, 2016 : 40600] Abc india Ltd of RS.10/- each fully paid up	5,014.10	3,511.90	3,643.85
NIL [31st March, 17: 10000 ] [1st April, 2016 : Nil]	-	953.00	-
Balaji Telefilm Ltd of RS.2/- each fully paid up	-	953.00	-
6230 [31st March, 17: 5500 ] [1st April, 2016 : Nil]	13,076.46	9,407.75	-
Bengal Assam company Ltd of RS.10/- each fully paid up	2567 [31st March, 17: 2567 ] [1st April, 2016 : Nil]	4,658.85	1,719.89
Eldeco Housing Ltd of RS.10/- each fully paid up	Nil [31st March, 17: Nil ] [1st April, 2016 : 37890]	-	1,274.55
Orient Papers Limited of RS.10/- each fully paid up	217297 [31st March, 17: 30175 ] [1st April, 2016 : 11500]	61,712.35	5,099.58
PDS Multinational Ltd of RS.10/- each fully paid up	NIL [31st March, 17: 139741 ] [1st April, 2016 : 135419]	-	16,531.36
Pearl Global Ltd of RS.10/- each fully paid up	220 [31st March, 17: 25213 ] [1st April, 2016 : 25213]	39.09	26,347.59
Pokarna Ltd of RS.10/- each fully paid up	1149 [31st March, 17: 1149 ] [1st April, 2016 : 1149]	166.61	258.64
Sika Interplant Systems Ltd of RS.10/- each fully paid up	38533 [31st March, 17: 38533 ] [1st April, 2016 : 38533]	40,893.15	13,351.68
Weizman forex Ltd of RS.10/- each fully paid up	1151935 [31st March, 17: Nil] [1st April, 2016 : Nil]	16,242.28	-
GVK Power Ltd of RS.10/- each fully paid up	11835 [31st March, 17: Nil] [1st April, 2016 : Nil]	1,966.98	-
Zodiac Clothing Co Ltd of RS.10/- each fully paid up			
<b>Total (i)</b>	<b>145,954.19</b>	<b>81,278.32</b>	<b>70,981.27</b>
Aggregate amount of quoted investments (in Rs.)	145,954.19	81,278.32	70,981.27
Fair value of quoted investments (in Rs.)	145,954.19	81,278.32	70,981.27
Aggregate amount of impairment in value of investments (in Rs.)	-	-	-

## 5 Current Investments

(In '000)

	31st March 2018	31st March 2017	1st April 2016
<b>Investment in Mutual Funds (Unquoted) (Valued at Fair Value through P&amp;L)</b>			
45956 [31st March, 17: 22562 ] [1st April, 2016 : Nil]	1,105.40	500.00	
Frankin India Eltra Short term of RS.10/- each fully paid up	1,105.40	500.00	-
Aggregate amount of quoted investments & market value	1,105.40	500.00	



**6 Trade receivables**

(In '000)

	31st March 2018	31st March 2017	1st April 2016
Trade receivables			
Secured - Considered Good	-	-	-
Unsecured - Considered Good	-	-	7,307.97
Considered Doubtful	-	-	-
Less : Allowance for Doubtful trade receivables			
	-	-	<b>7,307.97</b>

No trade or other receivables are due from director or other officers of the company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

**7 Cash and Cash Equivalents**

(In '000)

	31st March 2018	31st March 2017	1st April 2016
Cash on hand	40.05	57.34	44.25
Balances with banks	-	-	-
On current accounts	3,651.47	846.47	6,425.47
<b>Total</b>	<b>3,691.52</b>	<b>903.81</b>	<b>6,469.72</b>

**8 Other Current Assets**

(In '000)

	31st March 2018	31st March 2017	1st April 2016
Other assets	14.00	14.00	1.37
<b>Advance for Goods &amp; Expenses :</b>	-	-	-
Considered Good	-	-	-
Doubtful	987.00	987.00	987.00
	987.00	987.00	987.00
Less : Allowances for Doubtful Advances	(987.00)	(987.00)	(987.00)
	-	-	-
<b>Total</b>	<b>14.00</b>	<b>14.00</b>	<b>1.37</b>

**9 Equity Share Capital**

(In '000)

	31st March 2018	31st March 2017	1st April 2016
<b>Authorised</b> 2,00,00,000 ( P.Y. 2,00,00,000) Equity Shares of Rs.10/- Each	200,000.00	200,000.00	200,000.00
<b>Issued, Subscribed and Fully Paid-up Equity Shares</b> 49,99,575 ( 31.03.2017: 49,99,575, 31.03.2016: 49,99,575) Equity Shares of Rs. 10/- Each Fully Paid up.	49,995.75	49,995.75	49,995.75
<b>Total Issued, Subscribed and Fully Paid-up Equity Share Capital</b>	<b>49,995.75</b>	<b>49,995.75</b>	<b>49,995.75</b>

## a. Reconciliation of the Shares Outstanding at the beginning and at the end of the Reporting Period

## Equity Shares

	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Amount (In '000)	No. of shares	Amount (In '000)
Outstanding at the beginning of the period	4,999,575	49,995.75	4,999,575	49,995.75
Add : Issued shares during the year	-	-	-	-
Outstanding at the end of the period	<b>4,999,575</b>	<b>49,995.75</b>	<b>4,999,575</b>	<b>49,995.75</b>

## a. Terms/rights attached to Equity Shares

The Company has only class of equity share carrying per value of RS.10/- per share, carrying equal rights as to dividend, voting and in all other aspects.

## b. Details of shareholders holding more than 5% shares in the Company.

Equity shares of 10 each fully paid Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity Shares with voting rights						
Sanjiv D Shah	2,203,950	44.08	2,203,950	44.08	2,203,950	44.08
Bhavesh D Shah	378,750	7.58	378,750	7.58	378,750	7.58
Aanal R Bhow	300,000	6.00	300,000	6.00	300,000	6.00

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares

## 10 Other Equity

(In '000)

Surplus in the Statement of Profit & Loss  
Balance as per last financial statements

Profit for the year

OCI for the year

Add/(Less) : Other Ind-AS adjustment

**Closing Balance****Total Other Equity**

	31st March 2018	31st March 2017
Surplus in the Statement of Profit & Loss Balance as per last financial statements	34,179.71	30,175.22
Profit for the year	(1,026.82)	(1,827.00)
OCI for the year	58,842.49	5,831.49
Add/(Less) : Other Ind-AS adjustment		
<b>Closing Balance</b>	<b>91,995.38</b>	<b>34,179.71</b>
<b>Total Other Equity</b>	<b>91,995.38</b>	<b>34,179.71</b>

## 11 Income tax

## A. Income tax recognised in Statement of Profit or Loss :

(In '000)

Current Tax :

Current tax

Tax in respect of earlier year

Total Current Tax

Deferred Tax:

Deferred tax

MAT credit entitlement

**Total deferred tax****Total tax expense/(benefit)****Effective income tax rate**

	31st March 2018	31st March 2017
Current tax	-	(6.23)
Tax in respect of earlier year	-	-
Total Current Tax	-	(6.23)
Deferred tax	-	-
MAT credit entitlement	-	-
<b>Total deferred tax</b>	-	-
<b>Total tax expense/(benefit)</b>	-	<b>(6.23)</b>
<b>Effective income tax rate</b>	<b>0.00%</b>	<b>0.00%</b>

**B. A reconciliation of income tax expense applicable to accounting profit/ (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows :**

(In '000)

	31st March 2018	31st March 2017
Profit/ (loss) before tax	(1,027)	(1,821)
Enacted tax rate in India (Normal rate)	25.750%	25.750%
<b>Expected income tax expense/ (benefit) at statutory tax rate</b>	<b>(264.41)</b>	<b>(468.85)</b>
Expenses disallowed for tax purposes	42.59	40.50
Income exempt from tax	149.80	90.86
Non-recognition of deferred tax asset due to absence of probable certainty of reversal in future	72.02	331.26
<b>Tax expense for the year</b>	<b>-</b>	<b>(6.23)</b>

**Movement in MAT credit entitlement :**

**C. Movement In Deferred Tax Assets And Liabilities**

(In '000)

Movement during the year ended 31st March, 2017	As at 1st April, 2016	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Compre- hensive Income	MAT Utilization/ Short/ Excess Provision	As at 31st March, 2017
<b>Deferred Tax Asset/(Liabilities)</b>					
Investments	3,244	-	1,268	-	4,511
<b>Total</b>	<b>3,244</b>	<b>-</b>	<b>1,268</b>	<b>-</b>	<b>4,511</b>
MAT Credit Entitlements (Net)	-	-	-	-	-
<b>Total</b>	<b>3,244</b>	<b>-</b>	<b>1,268</b>	<b>-</b>	<b>4,511</b>

**Movement during the year ended 31st March, 2018**

	As at 1st April, 2016	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Compre- hensive Income	MAT Utilization/ Short/ Excess Provision	As at 31st March, 2017
<b>Deferred Tax Asset/(Liabilities)</b>					
Investments	4,511	-	10,041	-	14,553
<b>Total</b>	<b>4,511</b>	<b>-</b>	<b>10,041</b>	<b>-</b>	<b>14,553</b>
MAT Credit Entitlements (Net)	-	-	-	-	-
<b>Total</b>	<b>4,511</b>	<b>-</b>	<b>10,041</b>	<b>-</b>	<b>14,553</b>

**12 Trade and other payables**

(In '000)

	31st March 2018	31st March 2017	1st April 2016
Trade payables	210.59	221.20	7,348.88
Micro, Small & Medium Enterprises	-	-	-
	<b>210.59</b>	<b>221.20</b>	<b>7,348.88</b>

**13 Other current liabilities**

(In '000)

Statutory dues payable

31st March 2018	31st March 2017	1st April 2016
70.70	12.83	25.86
<b>70.70</b>	<b>12.83</b>	<b>25.86</b>

**14 Liabilities for Current Tax (Net)**

(In '000)

Tax Balances: (Provisions Less Advance Tax)

31st March 2018	31st March 2017	1st April 2016
25.00	-	352.99
<b>25.00</b>	<b>-</b>	<b>352.99</b>

**15 Revenue from operations**

(In '000)

Traded Goods  
Domestic  
Revenue from operations

For the year ended	
31st March 2018	31st March 2017
64,036.31	17,371.56
<b>64,036.31</b>	<b>17,371.56</b>

**16 Other income**

(In '000)

**Dividend Income on**  
Long-term investments  
Rental Income  
Short term Capital gain Mutual fund

31st March 2018	31st March 2017
581.74	352.85
168.00	148.50
371.64	133.70
-	-
<b>1,121.38</b>	<b>635.05</b>

**17 Purchase of traded goods**

(In '000)

Purchase of Stock-in trade

31st March 2018	31st March 2017
63,165.49	17,052.86
<b>63,165.49</b>	<b>17,052.86</b>

**18 Employee Benefit Expenses**

(In '000)

Salaries, Wages and Bonus

31st March 2018	31st March 2017
1,689.00	1,568.40
<b>1,689.00</b>	<b>1,568.40</b>

**19 Finance costs**

(In '000)

	<b>31st March 2018</b>	<b>31st March 2017</b>
a. Interest Expenses		
Interest on others	-	109.64
b. Other Borrowing costs		
Bank & other charges	3.70	2.89
	<b>3.70</b>	<b>112.53</b>

**20 Other Expenses**

(In '000)

	<b>31st March 2018</b>	<b>31st March 2017</b>
Insurance	5.35	5.32
Stock Exchange Listing Fees	287.50	229.00
Share Registration Fees	27.04	5.62
Advertisement Expenses	39.58	26.02
Stationary & Printing Expenses	86.25	74.57
Rates & Taxes	76.28	80.80
Security Transaction Tax	113.32	13.91
Legal and Professional fees	312.30	233.25
Payment to Auditor	-	-
Audit fee	41.90	34.50
Tax Audit Fee	8.30	9.20
In other capacity :	-	-
Other Services (certification fees)	4.49	24.76
Miscellaneous Expenses	158.61	199.35
	<b>1,160.92</b>	<b>936.30</b>

**21 Fair Value Measurement**

Financial Instrument by category and hierarchy

The fair value of the financial assets and liabilities are included at the amount of which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values :

1. Fair Value of Cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amount largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rate are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair values of such instruments is not materially different from their carrying amounts :-

For the financial assets and liabilities that are measured at fair values, the carrying amount are equal to the fair value.

## \* Accounting classification and fair values

(Amount in '000)

Financial Assets & Financial Liabilities	As at 31st March, 2018			As at 31st March, 2017			As at 31st March, 2016		
	Fair value Through OCI	Amortised Cost	Total	Fair value Through OCI	Amortised Cost	Total	Fair value Through OCI	Amortised Cost	Total
<b>Financial Assets</b>									
Cash and Cash Equivalents	-	3,691.52	3,691.52	-	903.81	903.81	-	6,469.72	6,469.72
Bank balances other than cash and cash Equivalents	-	-	-	-	-	-	-	-	-
Investments	145,954.19	-	145,954.19	81,278.32	-	81,278.32	70,981.27	-	70,981.27
Trade receivables	-	-	-	-	-	-	-	7,307.97	7,307.97
Other Financial Assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>145,954.19</b>	<b>3,691.52</b>	<b>149,645.71</b>	<b>81,278.32</b>	<b>903.81</b>	<b>82,182.13</b>	<b>70,981.27</b>	<b>13,777.69</b>	<b>84,758.96</b>
<b>Financial Liabilities</b>									
Borrowings	-	-	-	-	-	-	-	-	-
Trade Payable	-	210.59	210.59	-	221.20	221.20	-	7,348.88	7,348.88
Other Financial Liabilities	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>210.59</b>	<b>210.59</b>	<b>-</b>	<b>221.20</b>	<b>221.20</b>	<b>-</b>	<b>7,348.88</b>	<b>7,348.88</b>

## Comparison of Fair value and Carrying Value

(Amount in '000)

Financial Assets & Financial Liabilities	Carrying Value			Fair Value		
	31st March, 2018	31st March, 2017	1st April, 2016	31st March, 2018	31st March, 2017	1st April, 2016
Financial Asset						
FVTOCI Investments	145,954.19	81,278.32	70,981.27	145,954.19	81,278.32	70,981.27
Financial Liabilities						
Borrowings	-	-	-	-	-	-

## \* Fair value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarized below :

(Amount in '000)

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets									
Investment (other than investment in subsidiaries, Joint Venture & Associates)	145,954.19			81,278.32			70,981.27		
<b>Total</b>	<b>145,954.19</b>			<b>81,278.32</b>			<b>70,981.27</b>		

**22 Capital risk Management**

Equity Share capital and other equity are considered for the purpose of company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The Capital structure of the company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**23 Financial risk management**

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risks. The company's senior management has the overall responsibility for establishing and governing the company's risk management framework. The company has constituted a Risk management committee, which is responsible for developing and monitoring the company's risk management policies. The company's risk management policies are established to identify and analyse the risks faced by the company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the company.

**A. Management of Liquidity Risk**

Liquidity risk is the risk that the company will face in meeting its obligation associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

Due to dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The following table shows the maturity analysis of the company's financial liabilities based on the contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

**Exposure as at 31st March 2018**

(Amount in '000)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings				
Trade Payable	210.59			210.59
Other Financial Liabilities				-
<b>Total Financial Liabilities</b>	<b>210.59</b>	<b>-</b>	<b>-</b>	<b>210.59</b>

**Exposure as at 31st March 2017**

(Amount in '000)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings				
Trade Payable	221.20			221.20
Other Financial Liabilities				-
<b>Total Financial Liabilities</b>	<b>221.20</b>	<b>-</b>	<b>-</b>	<b>221.20</b>

**Exposure as at 1st April, 2016**

(Amount in '000)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings				-
Trade Payable	7,348.88			7,348.88
Other Financial Liabilities				-
<b>Total Financial Liabilities</b>	<b>7,348.88</b>	<b>-</b>	<b>-</b>	<b>7,348.88</b>

**B. Management of Market Risk**

The company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments :

- Equity risk
- Interest rate risk

The above risks may affect the company's income and expenses, or the value of its financial instruments. The company's exposure to and management of these risks are explained below :

**(i) Price Risk**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

**Sensitivity Analysis**

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

A change of 5% in market index would have following Impact on profit before tax

(Amount in '000)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
BSE Index 100 - Increase by 5%	7,298	4,064
BSE Index 100 - Decrease by 5%	(7,298)	(4,064)

The above referred sensitivity pertains to quoted equity investments. Profit for the year would increase/decrease as a result of gains/losses on equity securities as at Fair Value through OCI (FVTOCI).

**C Management of Credit Risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as :

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counter party,
- iii) Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counter party,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.



The Ageing analysis of Account receivables has been considered from the date the invoice falls due  
(Amount in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
0-3 months	-	7,308
3-6 months	-	-
6-12 months	-	-
12 months and up to 2 years	-	-
Total	0	7,308

#### 24 Earnings per Share (EPS) as per Indian Accounting Standard 33 :

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations :

(In '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Net Profit as per Statement of Profit & Loss	(1026.82)	(1827.00)
No. of weighted average outstanding Equity Shares	4,999.58	4,999.58
Earning per Equity Share of ` 10/- each (Basic & Diluted)	(0.21)	(0.37)

#### 25 Related Party Transactions as per Indian Accounting Standard 24 :

The disclosure in pursuance to Indian Accounting Standard-24 on "Related Party disclosures" is as under :

##### (a) Name of Related Parties & Relationship

SN	Name	Relationship	Manner
1	JOSE DANIEL	MANAGING DIRECTOR	KEY MANAGERIAL PERSON
2	SANJIV D SHAH	DIRECTOR	KEY MANAGERIAL PERSON
3	DHAVAL SHETH	CHIEF FINANCIAL OFFICER	KEY MANAGERIAL PERSON
4	JEKIL PANCHOLI	COMPANY SECRETARY	KEY MANAGERIAL PERSON
5	SANBLUE INFRASTRUCTURE PVT. LTD.	Enterprises owned or significantly influenced by key management personnel or their relatives	
6	FIBRE2FASHION PVT. LTD.	Enterprises owned or significantly influenced by key management personnel or their relatives	

(b) Transactions during the year with related parties mentioned in (a) above, in ordinary course of business & balances outstanding as at the year end :

(In '000)

Transaction		Total	Key Managerial Person	Enterprise significantly influenced by Key Managerial Person
(a) Purchase/Sale/Service Received/Service Provided/Rent Received/etc.				
SANBLUE INFRASTRUCTURE PVT LTD		168	-	168
	P.Y.	149	-	149
		-	-	-
(b) i) Managerial Remuneration		-	-	-
JOSE DANIEL		600	600	-
	P.Y.	500	500	-
		-	-	-
JEKIL PANCHOLI		540	540	-
	P.Y.	540	540	-
		-	-	-
DHAVAL SHETH		242	242	-
	P.Y.	220	220	-
(C) Borrowing				
Taken During the year		20,000	20,000	
Less : Repaid during the year		20,000	20,000	
Outstanding at the end of the year		-	-	

**Compensation to Key Managerial Personnel of the Company :**

(In '000)

Nature of Benefits	For the year ended 31st March 2018	For the year ended 31st March 2017
Short term employee benefit	1,382.40	1,260.00
Post employment gratuity benefits*	-	-
<b>Total</b>	<b>1,382.40</b>	<b>1,260.00</b>

Note:\* post employment gratuity benefits is not applicable.

26 Under the previous GAAP (Indian GAAP), Property, Plant & equipment was classified as fixed assets held for sale under other current assets. As per IND AS 105 "Non Current Assets held for Sale and Discounted Operations", Non current assets can be classified as held for sale only when the same is available for immediate sale not in distant in future. Hence the Company has elected to disclose non current assets as property, plant and equipment instead of held for sale in the absence of plan for immediate sale of the same.

As per our report of even date  
**FOR KANTILAL PATEL & COMPANY**  
**CHARTERED ACCOUNTANTS**  
 Firm Regn. No. 104744W

**Jinal A. Patel**  
 Partner  
 Membership No.: 153599

Place : Ahmedabad  
 Date : 29/05/2018

**FOR SANBLUE CORPORATION LIMITED**

**Managing Director**  
**Jose Daniel**  
 DIN : 03532474

**Director**  
**Sanjiv Shah**  
 DIN : 00256817

Place : Ahmedabad  
 Date : 29/05/2018

**CFO**  
**Dhaival Sheth**

**Company Secretary**  
**Jekil Pancholi**  
 Mem No : A37920

**SANBLUE CORPORATION LIMITED**  
**Regd. Office : 22A, Government Servant Society, Near Municipal Market**  
**C.G.Road, Ahmedabad-380009**  
**CIN NUMBER: L15400GJ1993PLC020073**

**ATTENDANCE SLIP****25<sup>th</sup> ANNUAL GENERAL MEETING - SEPTEMBER 20, 2018**

Sr. No.
Registered Folio No. / DP & Client ID :
Name of the Sole / First named Member :
Registered Address:
Name(s) of the joint Member(s), if any :
No. of Shares held :

I hereby record my presence at the 25th Annual General Meeting held on Thursday, 20th September, 2018 at 10.00 am at 22A, Government Servant Society, Near Municipal Market C. G. Road, Ahmedabad - 380 009.

\_\_\_\_\_  
Signature of First holder/Proxy/Authorised Representative

\_\_\_\_\_  
Signature of Joint holder(s)

**Note:**

1. Please fill up the attendance slip and hand it over at the entrance of the meeting venue. Members are requested to bring their copies of the Annual Report at the AGM.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.

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## SANBLUE CORPORATION LIMITED

Regd. Office : 22A, Government Servant Society, Near Municipal Market, C.G.Road, Ahmedabad - 380009

CIN : L15400GJ1993PLC020073

Form No. MGT-11

Proxy form

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

Name of the member(s) : .....

Registered address : .....

E-mail Id : .....

Folio No/ Client Id / DP ID : .....

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1) Name	Address
Email ID	Signature or failing him ;
2) Name	Address
Email ID	Signature failing him ; or
3) Name	Address
Email ID	Signature failing him ; or

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 Thursday, 20th September, 2018 at 10.00 am at 22A, Government Servant Society, Near Municipal Market C. G. Road, Ahmedabad -380 009 and at any adjournment thereof in respect of such resolutions as are indicated below :

Ordinary Business	For	Against
1. To receive, consider and adopt the Audited Statement of Profit & Loss Account for the year ended on March 31, 2018, the Balance Sheet as at that date and Cashflow together with the Auditor and Directors' Report thereon		
2. To appoint a Director in place of Mr. Sanjiv Shah (DIN:00256817), who retires by rotation and, being eligible, offers himself for re-appointment.		
3. To consider and ratify the re-appointment of Statutory Auditors.		
Special Business		
4. Authority under section 180(1)(c) of the Companies Act, 2013 to borrow in excess of the Paid-up Capital and free reserves		
5. Authority under Section 180(1)(a) of the Companies Act, 2013 to sell, lease or otherwise dispose of, to mortgage/ create charges on the properties of the Company		
6. Authority to the board for sell whole or substantial undertaking of the Company		
7. Authority under section 186 of the Companies Act. 2013 to make investments up to Rs 100 Crores		
8. Reappointment of Mr. Jose Daniel as Managing Director of the Company.		
9. Authority to Board for provide loan, guarantee or security in connection with loan to any other in any other private company of which any such director is a director or member of that Private Company.		

Note: 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.

Signature of Members

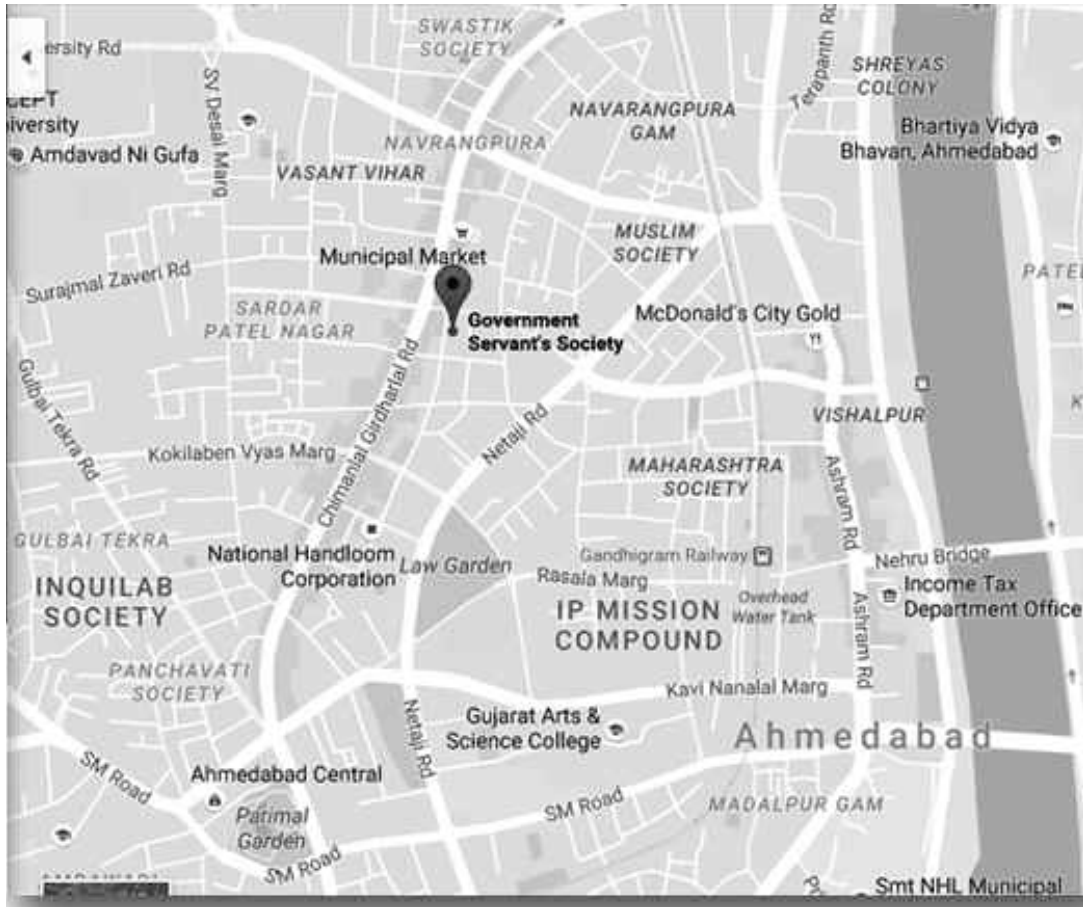
Signature of Proxy Holder

Affix revenue stamp of not less than 1/-
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## VENUE OF THE AGM

Regd.Office : 22A, Government Servant Society, Near Municipal Market,  
C.G.Road,Ahmedabad-380009



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