



OCEAN AGRO (INDIA) LIMITED

AGRO DIVISION

76-77, GIDC Industrial Estate, NANDESARI - 391 340., INDIA
Phone : 0265 - 2840 307, 2840 053 *FAX : 091 - 0265 - 2840 407 *E-mail : oaibrd@yahoo.co.in
CIN NO : L15174GJ19990PLCO13922

Date: 08.10.2018

Bombay Stock Exchange Limited

Floor 25, P. J. Towers
Dalal Street,
Mumbai - 400001

Scrip Code No. 519491

Sub: 28th Annual Report

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 please find attached 28th Annual Report.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

For Ocean Agro (India) Limited

Anup Shah

Compliance Officer

OCEAN AGRO (INDIA) LTD.



**28th ANNUAL
REPORT | 2017-18**



| | | | |
|--------------------|---|---|-------------------------|
| Board of Directors | Mr. Kaushik B. Parikh | - | Managing Director |
| | Mr. Manhar D. Patel | - | Joint Managing Director |
| | Mr. Ramanbhai N Patel | - | Director |
| | Mrs. Rekhaben S. Shah | - | Director |
| Auditors | M/s. Kishor Sheth & Co. | | |
| Bankers | Bank of Baroda | | |
| Plastics Division | 66, Industrial Estate, GIDC, Nandesari, Dist. Vadodara | | |
| Agro Division | 76, Industrial Estate, GIDC, Nandesari, Dist . Vadodara | | |
| Registered Office | A-207, Oxford Avenue, Opp. C.U. Shah College, Ashram Road, Ahmedabad-380 014. | | |
| Corporate Office | 5, Alkapuri , Opp. Express Residency Hotel, Off. R.C. Dutt Road, Vadodara-390 007. | | |

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NOTICE

OCEAN AGRO (INDIA) LIMITED

NOTICE is hereby given that the 28th Annual General Meeting of the members of **M/s OCEAN AGRO (INDIA) LIMITED** will be held on Saturday the 29th September, 2018 at the A-207, Oxford Avenue, Opp. C. U. Shah College, Ashram Road, Ahmedabad 380014 at 09.30 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To consider, receive and adopt the Audited Balance Sheet as on 31st March, 2018 and Statement of Profit and Loss for the year ended on 31st March, 2018 together with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri Manharbhai Dayalji bhai Patel who retires by rotation and is eligible for re-appointment.

By Order of the Board of Directors

Place: Vadodara
Date: 13th August, 2018

Kaushik Parikh
Managing Director

Registered Office

A-207, Oxford Avenue,
Opp. C. U. Shah College
Ashram Road
Ahmedabad 380 014
Phone : (0265) 2351223, 2313690
Fax : (0265) 2313690
Email Id : kaushik_parikh@yahoo.com
Website: www.oceanagro.com
CIN: L15174GJ1990PLC013922



NOTES

1. A Member entitled to attend and vote at The Annual General Meeting (“Meeting/AGM”) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10 percent of the total share capital of the company. However, A Member holding more than 10%, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. The instrument appointing proxy in order to be valid and effective should be lodged / deposited with the company at its Registered Office at least 48 (Forty Eight) hours before the commencement of the Meeting.
2. Additional information pursuant to Section 102 of the Companies Act, 2013, on directors recommended for reappointment at the Annual General Meeting, is given in this notice.
3. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on September 29, 2017.
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to Adroit Corporate Services Private Limited
5. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form
6. The Register of Beneficial Owners, Register of Members and Share Transfer Book of the Company shall remain closed from 22nd September, 2018 to 28th September, 2018 both days inclusive.
7. Members/ proxies should bring their copy of the Annual Reports and Accounts along with Attendance Slip (duly completed) when attending the Meeting.
8. Members who hold shares in dematerialised form are requested to write their Client – ID and DP – ID Numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
9. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a “Green Initiative in Corporate Governance” and allowed companies to share documents with its shareholders through an electronic mode. A soft copy of the Annual Report has been sent to all those shareholders who have registered their email address. Members are requested to support this green initiative by registering/ updating their email address for receiving electronic communication.
10. All documents referred to in the accompanying notice and explanatory statements are open for inspection at the registered office of the Company on all working days, except Saturday between 11.00 a.m. to 1.00 p.m. prior to the date of AGM.
11. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
12. As per the amendment to SEBI (LODR) Regulations, 2015, all the shareholders holding shares in physical form are hereby informed that w.e.f. December 5, 2018, requests for effecting transfer of shares shall not be processed by the Registrar and Transfer Agent (Adroit Corporate Services Private Limited) unless the shares are held in the dematerialized form, with a depository



13. A route map showing directions to reach the venue of the 28th AGM is annexed.

Voting in Electronic Form (E-Voting)

14. Process and manner for members opting for voting through Electronic means:

- (i) 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 and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of Central Depository Services (India) Limited ("remote e-voting").
- (ii) Members whose names are recorded in the Register of Members or in the Register of Beneficial owners maintained by the Depositories as on the Cut-off date i.e. 22nd September, 2018, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- (iii) A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. 22nd September, 2018, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.
- (iv) The remote e-voting will commence on Tuesday, September 25, 2018 at 9.00 a.m. and will end on Friday, September 28, 2018 at 5.00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. 22nd September, 2018, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.
- (v) Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- (vi) The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting, May also attend the Meeting, but shall not be entitled to cast their vote again.
- (vii) The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. 22nd September, 2018.
- (viii) The Company has appointed CS Ashwin Shah, Practicing Company Secretary (Membership No. FCS: 1640; CP No: 1640), to act as the Scrutinizer for conducting the remote e-voting process as well as the voting through Poll Paper at the AGM, in a fair and transparent manner.
- (ix) The procedure and instructions for remote e-voting are, as follows:
 - I. The voting period begins on Tuesday, September 25, 2018 at 09.00 AM and ends on Friday, September 28, 2018 at 05.00 PM. 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 22nd September, 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.
 - 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 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:

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

- 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 180824068 for Ocean Agro (India) 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 Apple, Android and 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 and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XX. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (XXI) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.oceanagro.com and on the website of CDSL i.e. www.cdslindia.com within three days of the passing of the Resolutions at the 28th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.



Contact Details:

| | | |
|---|---|--|
| Company | : | Ocean Agro (India) Limited A207, Oxford Avenue, Opp. C U Shah College, Ashram Road, Ahmedabad 380 014 CIN: L15174GJ1990PLC013922 Email Id: kaushik_parikh@yahoo.com |
| Registrar and Transfer Agents: Centre, | : | Adroit Corporate Services Private Limited Wing-B, Shop No.- 4, Monalisa Business Manjalpur, Vadodara- 390 011 Phone: 0265- 2983748 Email ID: acsbaroda@adroitcorporate.com |
| E-Voting Agency | : | Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com Phone: 022- 22723333/ 8588 |



ANNEXURE TO NOTICE

Details of Directors seeking re-appointment as per Item No. 2 of the Ordinary Business in Ensuing Annual General Meeting to be held on 29th September, 2018 are as under:

| Particulars | Date of Birth | Date of Appointment | Qualification | Nature of Expertise | Directorships held in other companies | Membership/Chairmanships of committees of other companies (Includes only Audit committee and Shareholder/Investor Grievance Committee) | | | No. of Shares held in the Company (Ocean Agro India Limited) |
|------------------------------------|---------------|---------------------|---------------|--|---|--|-----------|----------|---|
| | | | | | | Name of the Company | Committee | Position | |
| Shri Manharbhai Dayalji bhai Patel | 27.04.1947 | 22.06.1990 | M.Sc | Mr. M.D. Patel is an eminent scientist and is an expert in the Agrochemicals field. He has also introduced, by his personal innovation, several new products which have proved highly successful in actual trials. He is the Joint Managing Director of our Company since incorporation of our Company in 1990. He holds Masters of Science degree from Sardar Patel University, Gujarat. Since 1971, he is managing manufacturing and commercial activities of Agrochemicals. He has more than 37 years of experience in the agro chemicals industry and more than 30 years experience in the organic agro products. He currently oversees the technical development and manufacturing functions of the company, as well as marketing of the agro products. | 1. Nandesari Agrochemicals Pvt Ltd. 2. Dhanshree Agro Chemicals (Nandesari) Pvt Ltd. 3. Om Pesticides (Nandesari) Private Limited. 4. Shree Nandesari Finance Ltd. | NIL | | | 86578 Shares (1.28%) |



DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 28th Annual Report together with the Audited Financial Statements of the company for the year ended 31st March 2018.

1. Financial Performance

(Rs. in Lacs)

| PARTICULARS | Year ended 31/03/2018 | Year ended 31/03/201 |
|--|--------------------------|-------------------------|
| Income for the year was | 2005.04 | 2350.55 |
| The year's working shows a Gross Profit of | 93.02 | 184.56 |
| Out of which, Provisions have been made for :- | | |
| Depreciation | 35.17 | 31.52 |
| Provision for Taxation : | | |
| (i) Current Income Tax | 17.50 | 24.00 |
| (ii) Deferred Tax | | |
| Provision for doubtful debts | 20.00 | 80.00 |
| Previous year expenses | 0.00 | 0.00 |
| Profit after Income Tax | 20.35 | 49.04 |

2. Dividend

Due to inadequacy of profit, directors have thought fit to conserve the liquidity. The directors therefore do not recommend dividend for the current year.

3. Industrial Relation

Industrial relations remained cordial throughout the year. Your Directors place on record their deep appreciation of the contribution made by the employees at all levels. Measures have been taken for Human Resources Development.

4. Performance/ Statement of Company's Affairs

During the year under report turnover has decreased 14.70% from Rs. 2350.55 lacs to Rs. 2005.04 lacs and the profit after tax has decreased from Rs. 49.04 lacs to Rs. 20.35 lacs. Sales is decreased due to implementation of GST from 1st July 2017. The Directors are endeavoring to improve the performance of the Company in the coming years. Company is strengthening its sales and distribution network by increasing sales staff in unrepresented areas.

5. Corporate Social Responsibility

Section 135 of the Companies Act, 2013 and framed Rules thereunder provides that certain Companies are required to spend 2% of its average net profit during 3 preceding years on CSR activities. It also provides formation of CSR committee of the Board. The Rules prescribe the activities qualify under CSR and the manner of spending the amount.



The company is not covered under section 135 of the Companies Act, 2013 and the Rules framed thereunder for the financial year under report. CSR Committee of the Board will be constituted at the time of applicability, of section 135 of the Act. Hence CSR report is not required to be annexed.

6. Disclosure under Companies Act, 2013

(i) Share Capital

The paid up equity capital as on March 31, 2018 was Rs. 75,871,545.00. During the year under review, The Company has neither issued shares with differential voting rights nor granted stock options nor sweat equity nor bonus share.

(ii) Board Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year 6 (Six) Board Meetings were convened and held. The details of which are given below:

| Sr. No. | Date of Meeting |
|----------------|------------------------|
| 1 | May 29, 2017 |
| 2 | August 19, 2017 |
| 3 | September 12, 2017 |
| 4 | November 13, 2017 |
| 5 | February 12, 2018 |
| 6 | March 10, 2018 |

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

(iii) Statement on Declaration given by Independent Director

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149 (6) of the Companies Act, 2013.

(iv) Independent Directors' Meeting

The Independent Directors met on 10.03.2018, without attendance of Non-Independent Directors and members of the Management. The Directors reviewed performance of the non-Independent Director and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(v) Particulars of Loans, Guarantees or Investments

The company has neither given any loans or guarantees nor made investments covered under the provisions of section 186 of the Companies Act, 2013.

(vi) Audit Committee Meeting

During the year under review Audit Committee met 4 (Four) times on May 29, 2017, September 12, 2017, November 13, 2017 and February 12, 2018. The intervening gap between two meetings did not



exceed four months.

The Composition of the Audit Committee and details of attendance of the members at the committee meetings during the year are given below:

| Name | Category | No. of Meetings During the Year | |
|-------------------------|----------------------|---------------------------------|----------|
| | | Held | Attended |
| Shri Girishbhai Shah* | Independent Director | 2 | 2 |
| Shri Kaushikbhai Parikh | Managing Director | 6 | 6 |
| Dr. Ramanbhai Patel | Independent Director | 6 | 6 |
| Smt. Rekhaben Shah | Independent Director | 6 | 6 |

* Shri Girishbhai Shah, Independent Director ceased to be a Director due to his death on 22.10.2017.

The Chief Financial Officer and representatives of Statutory Auditors are invited to the meetings of the Audit Committee.

The Committee discharges such duties and functions generally indicated in Section 177 of the Companies Act, 2013 and such other functions as may be specifically delegated to the Committee by the Board from time to time.

(vii) Nomination & Remuneration Committee

During the year under review Nomination & Remuneration Committee met two times on May 29, 2017 and March 10, 2018.

The composition of the Nomination & Remuneration Committee and details of meetings attended by the members are given below:

| Name | Category | No. of Meetings During the Year | |
|----------------------|----------------------|---------------------------------|----------|
| | | Held | Attended |
| Shri Girishbhai Shah | Independent Director | 1 | 1 |
| Dr. Ramanbhai Patel | Independent Director | 2 | 2 |
| Smt. Rekhaben Shah | Independent Director | 2 | 2 |

* Shri Girishbhai Shah, Independent Director ceased to be a Director due to his death on 22.10.2017.

(viii) Stakeholders Grievance Committee

Stakeholders' Grievance Committee met 4 (Four) times on May 29, 2017, August 19, 2017, November 13, 2017 and February 12, 2018. The intervening gap between two meetings did not exceed four months.

The composition of the Stakeholders' Grievance Committee and details of meetings attended by members are given below:

| Name | Category | No. of Meetings During the Year | |
|-------------------------|----------------------|---------------------------------|----------|
| | | Held | Attended |
| Shri Girishbhai Shah* | Independent Director | 2 | 2 |
| Dr. Ramanbhai Patel | Independent Director | 3 | 3 |
| Shri Kaushikbhai Parikh | Managing Director | 3 | 3 |

* Shri Girishbhai Shah, Independent Director ceased to be a Director due to his death on 22.10.2017.



(ix) Statement on declaration given by independent director

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149 (6) of the Companies Act, 2013 and the applicable regulations of SEBI (Listing Obligations and Disclosures) Regulations 2015.

7. Business Risk management

Pursuant to section 134 (3) (n) of the Companies Act, 2013 the company has carried out an exercise to identify elements of risk factors and has not identified any element of risk which may threaten the existence of the company.

8. Internal Control System

The Company has laid down Internal Financial Control Policy under Section 134 (5) (e) of the Companies Act, 2013 which helps in 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 timely preparation of reliable financial information.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit Function reports to the Chairman of the Audit Committee of the Board and to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit Function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant Audit Observations and Recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

9. Vigil Mechanism/whistle Blower policy

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

10. Director and Key Managerial Personnel

(i) Cessation

Shri Girishbhai Girdharlal Shah ceased to be a Director of the Company due to his sad demise on October 22, 2017. The Board placed on record its appreciation for the valuable services rendered by Shri Girishbhai Girdharlal Shah.

(ii) Retirement by rotation

Shri Manharbhai Dayalji bhai Patel retires by rotation and, being eligible, offers himself for re-appointment. The Directors recommend Shri Manharbhai Dayalji bhai Patel for re-appointment.



(iii) Appointment of Independent Director

Independent Directors were appointed as per the requirements of section 149 of the Companies Act, 2013. Details of appointment of Independent Directors are as follows:

| Sr. No. | Name of Directors | Date of Appointment | Term |
|---------|---------------------|----------------------|---------|
| 1 | Dr. Ramanbhai Patel | 25th September, 2014 | 5 Years |
| 2 | Mrs. Rekhaben Shah | 29th September, 2015 | 5 Years |

(iv) Evolution of Board Performance

Pursuant to the provisions of the Companies Act, 2013 and applicable regulations of SEBI (Listing Obligations and Disclosures) Regulations 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

(v) Remuneration Policy

a. Remuneration to Non-Executive Directors

At present the Company does not have the policy of payment of remuneration to Non Executive directors except by way of sitting fees for attending the meeting of the Board or a committee thereof.

b. Remuneration to Executive Directors

The Company has credible and transparent policy in determining and accounting for the remuneration of Executive Directors. Their remuneration is governed by external competitive environment; track record, potential, individual performance and performance of the Company as well as Industrial Standards. The remuneration determined for the Executive Directors is subject to the approval of Remuneration Committee of the Board of Directors.

11. Director responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, the Directors would like to state that:

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Directors have 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.



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.

12. Public Deposit

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

13. Related Party Transaction

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Accordingly the disclosure of related party transaction as required under section 134 (3) (h) of the companies Act, 2013 in FormAOC-2 is not applicable.

14. Significant Material Orders Passed by the Regulators / Courts

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

15. Subsidiary Company

The Company had 1 subsidiary at the beginning of the year. A statement containing brief financial details of the subsidiaries is included in the Annual Report.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 into with the Stock Exchanges, a consolidated financial statement of the Company and its subsidiary is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 129 (3) of the Act. These financial statements disclose the assets, liabilities, income, expenses and other details of the Company and its subsidiary.

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed thereunder and pursuant to Clause 33 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company had prepared consolidated financial statements of the company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 forms part of the Annual Report.

16. Auditors

(i) Statutory Auditor

M/s. Kishor Sheth & Co., (Firm Registration No. 117526W), Chartered Accountants was appointed as Statutory Auditors of your Company at the Annual General Meeting held on 29th September, 2017 for a term of 5 (Five) consecutive years.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report.

The observations of the Auditors are duly explained in notes 27 the Annual Accounts.



(ii) Secretarial Auditor

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Shri Ashwin Shah, a company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as “Annexure A”.

17. Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as “Annexure B”.

18. Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

19. Prevention of Sexual Harassment at Workplace

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment.

During the year under review, there were no complaints pertaining to sexual harassment.

20. Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo

As required under section 134 (3) (m) of the Companies Act, 2013 and the rules made thereunder, the concerned particulars relating to Energy conservation and Technology Absorption are not applicable to the Company. Foreign Exchange Earning and outgo is given in “Annexure-C”, which is attached here to and forms part of the Director's Report.

21. Corporate Governance & Management Discussion and Analysis Report

Corporate Governance as stipulated in regulation 15 of SEBI (Listing Obligations and Disclosures) Regulations is not mandatory, for time being, in respect of Companies having paid up equity share capital not exceeding Rs. 10 Crore and net worth not exceeding Rs. 25 Crore as on 31.03.2018 In view this the Company is not required to give Corporate Governance Report. Management Discussion and Analysis Report form part of this report are enclosed as “Annexure-D” and forms part of the report.

22. Particulars of Employees

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment



and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

23. Acknowledgement

The directors extend their sincere thanks to the Bankers, Financial Institutions, Central Government and State Government Authorities and all associated with the company for the co-operation. The Directors also place on record the efforts made by the employees, workers and all other associated with the company for making their organization successful.

By Order of the Board of Directors

Date: 13th August, 2018
Place: Vadodara

Kaushik Parikh Manharbhai Patel
Managing Director Jt. Managing Director

Registered Office

A-207, Oxford Avenue,
Opp. C. U. Shah College,
Ashram Road,
Ahmedabad 380 014

Phone : (0265) 2351223, 2313690

Fax : (0265) 2313690

Email Id :

kaushik_parikh@yahoo.com

Website : www.oceanagro.com

CIN : L15174GJ1990PLC013922



**‘ANNEXURE A’
SECRETARIAL AUDIT REPORT
FORM NO. MR-3**

FOR THE FINANCIAL YEAR ENDED 31st March 2018

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

To
The Members
OCEAN AGRO (INDIA) LTD

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

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 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:

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

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. 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, 2015;
- V. As per the explanations and clarifications given to us and the representation made by the management, during the period under review there are no specific laws applicable to company.

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

- I. Secretarial Standards issued by the Institute of Company Secretaries of India.
- II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and as per the explanations and clarification given to us and the representation made by the company, the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to filing of certain e-forms with additional fees and maintenance of website.

The company was not required to comply with the provision of other regulation listed in the Form No. MR-3 prescribed under the Companies Rules, 2014 as there were no instance / events falling within the



purview of these regulations during the financial year.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

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

I further report that during the audit period the company has:

1. Passed a special resolution for reappointment of Shri Kaushik Babubhai Parikh (DIN: 00489853) as Managing Director of the Company for a period of 5 years with effect from June 1, 2017.
2. Passed a special resolution for reappointment of Shri Manharbhai Dayaljibhai Patel (DIN: 00489977) as Joint Managing Director of the Company for a period of 5 years with effect from October 1, 2017.

Place: Ahmedabad
Date: 13th August, 2018

CS Ashwin Shah
Company Secretary
C. P. No. 1640

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.



‘ANNEXURE A’

To
The Members
OCEAN AGRO (INDIA) LTD

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 efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: Ahmedabad
Date: 13th August, 2018

CS Ashwin Shah
Company Secretary
C. P. No. 1640



‘ANNEXURE B’

Form MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2018 [Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

| | | |
|-----|---|---|
| i | CIN | L15174GJ1990PLC013922 |
| ii | Registration Date | 22/06/1990 |
| iii | Name of the Company | OCEAN AGRO (INDIA) LTD |
| iv | Category/ Sub-Category of the Company | Company limited by shares/ Indian Non-Government Company |
| v | Address of the Registered office and contact details | A 207, Oxford Avenue, Opp. C U Shah College, Ashram Road, Ahmedabad, Gujarat - 380014 |
| vi | Whether listed company Yes / No | Yes |
| vii | Name, Address and Contact details of Registrar and Transfer Agent, if any Adroit Corporate Services Private Limited | Wing-B, Shop No.- 4, Monalisa Business Centre, Manjalpur, Vadodara- 390 011 Phone: 0265- 2983748 |

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 | Plant Growth Regulator | 380830 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---------|---|-----------|----------------------------------|-----------------------------|--------------------|
| 1 | Ocean Agro L.L.C. 6150 Mission Street, Suite 204, Daly City, CA 94014, United States | N A | 100% Wholly Owned Subsidiary | 100% (Pending Allotment) | 2(87)(ii) |



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

i. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--------------------------|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| 1. Indian | | | | | | | | | |
| a. Individual / HUF | 3789065 | 0 | 3789065 | 56.18 | 3789065 | 0 | 3789065 | 56.18 | 0 |
| b. Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| c. State Govt.(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| d. Bodies Corporate | 922635 | 0 | 922635 | 13.68 | 922635 | 0 | 922635 | 13.68 | 0 |
| e. Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| f. Any Other.... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Sub-Total (A)(1): | 4711700 | 0 | 4711700 | 69.86 | 4711700 | 0 | 4711700 | 69.86 | 0 |

| | | | | | | | | | |
|--|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|----------|
| 2. Foreign | | | | | | | | | |
| a. NRIs – Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| b. Other – Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| c. Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| d. Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| e. Any Other.... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Sub-Total (A)(2): | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Total Shareholding of Promoters (A) = (A)(1)+(A)(2) | 4711700 | 0 | 4711700 | 69.86 | 4711700 | 0 | 4711700 | 69.86 | 0 |

| | | | | | | | | | |
|----------------------------------|----------|------------|------------|-------------|----------|------------|------------|-------------|----------|
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a. Mutual Funds / UTI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| b. Banks / FI0 | 200 | 200 | 0.00 | 0 | 200 | 200 | 0.00 | 0 | |
| c. Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| d. State Govt.(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| e. Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| f. Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| g. FIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| h. Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| i. Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Sub-Total (B)(1): | 0 | 200 | 200 | 0.00 | 0 | 200 | 200 | 0.00 | 0 |



| | | | | | | | | | |
|---|----------------|---------------|----------------|--------------|----------------|---------------|----------------|--------------|-------------|
| 2. Non-Institutions | | | | | | | | | |
| a. Bodies Corporate | | | | | | | | | |
| i) Indian | 451698 | 20200 | 471898 | 7.00 | 395293 | 20200 | 415493 | 6.16 | 0.84 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b. Individuals | | | | | | | | | |
| i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh | 407336 | 600700 | 1008036 | 14.95 | 515034 | 600800 | 1115834 | 16.54 | -0.91 |
| ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh | 495600 | 29000 | 524600 | 7.78 | 483012 | 0 | 483012 | 7.16 | -0.06 |
| c. Others (specify) | | | | | | | | | |
| i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| ii) Other Foreign Nationals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| iii) Foreign Bodies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| iv) NRI / OCBs | 23665 | 0 | 23665 | 0.35 | 13411 | 0 | 13411 | 0.20 | 0.15 |
| v) Clearing Members / Clearing House | 4801 | 0 | 4801 | 0.07 | 5250 | 0 | 5250 | 0.08 | -0.01 |
| vi) Trusts/HUF | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| vii) Limited Liability Partnership | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| viii) Foreign Portfolio Investor (Corporate) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| ix) Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| x) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-Total (B)(2): | 1383100 | 649900 | 2033000 | 30.14 | 1412000 | 621000 | 2033000 | 30.14 | 0.00 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 1383100 | 650100 | 2033200 | 30.14 | 1412000 | 621200 | 2033200 | 30.14 | 0.00 |

| | | | | | | | | | |
|--|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|-------------|
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 6094800 | 650100 | 6744900 | 100.00 | 6123700 | 621200 | 6744900 | 100.00 | 0.00 |



ii. Shareholding of Promoters

| Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | No. of Shares | % of total shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total shares of the Company | % of Shares Pledged / encumbered to total shares | |
| KAUSHIK BABUBHAI PARIKH | 2983826 | 44.24 | 0.00 | 2983826 | 44.24 | 0.00 | 0.00 |
| USHABEN K PARIKH | 345042 | 5.12 | 0.00 | 345042 | 5.12 | 0.00 | 0.00 |
| OM PESTICIDES (NANDESARI) PVT LTD | 544285 | 8.07 | 0.00 | 544285 | 8.07 | 0.00 | 0.00 |
| ASSOCIATED MANUFACTURING (RANIA) PVT LTD | 94070 | 1.39 | 0.00 | 94070 | 1.39 | 0.00 | 0.00 |
| NANDESARI AGROCHEMICALS PVT LTD | 284280 | 4.21 | 0.00 | 284280 | 4.21 | 0.00 | 0.00 |
| BABUBHAI JAMANADAS PARIKH | 197274 | 2.92 | 0.00 | 197274 | 2.92 | 0.00 | 0.00 |
| ANANDIBEN BABUBHAI PARIKH | 137017 | 2.03 | 0.00 | 137017 | 2.03 | 0.00 | 0.00 |
| MANHARBHAI DAYALJIBHAI PATEL | 86578 | 1.28 | 0.00 | 86578 | 1.28 | 0.00 | 0.00 |
| SHANTABEN MANHARBHAI PATEL | 39328 | 0.58 | 0.00 | 39328 | 0.58 | 0.00 | 0.00 |
| Total | 4711700 | 69.86 | 0.00 | 4711700 | 69.86 | 0.00 | 0.00 |

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

| | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|------------------------------|---|----------------------------------|---|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| At the beginning of the year | 4711700 | 69.86 | 4711700 | 69.86 |
| Date : _____ | | 0.00 | | 0.00 |
| Date : _____ | | 0.00 | | 0.00 |
| At the end of the year | 4711700 | 69.86 | 4711700 | 69.86 |



iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---|---|----------------------------------|-------------------------------------|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| Shree Vishwamurte Tradinvest Pvt Ltd | 100538 | 1.49 | 163678 | 2.43 |
| Shree Mallikarjun Tradinvest Pvt Ltd | 120000 | 1.78 | 120000 | 1.78 |
| Saumil A Bhavnagari | 0 | 0.00 | 117212 | 1.74 |
| Shree Bhuvanakaram Tradinvest Private Limited | 100000 | 1.48 | 100000 | 1.48 |
| Riddhi Pranav Sheth | 85000 | 1.26 | 82350 | 1.22 |
| Chelisha Saumil Bhavnagari | 80000 | 1.19 | 80000 | 1.19 |
| Kaushal Narendra Shah | 79000 | 1.17 | 70000 | 1.04 |
| Lopa Saumil Bhavnagari | 0 | 0.00 | 48850 | 0.72 |
| Dhwanil Suamil Bhavnagari | 40000 | 0.59 | 40000 | 0.59 |
| Shital Manubhai Sheth | 0 | 0.00 | 24300 | 0.36 |
| Shree Suprinit Tradinvest Private Limited | 110000 | 1.63 | 1400 | 0.02 |
| Rupak Kumudbhai Shah | 100000 | 1.48 | 0 | 0.00 |
| Pranav Ashwinbhai Sheth | 50000 | 0.74 | 0 | 0.00 |

v. Shareholding of Directors and Key Managerial Personnel

| Sr. No. | Shareholding of Directors and Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding at the end of the year | |
|----------|--|---|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Kaushibhai B. Parikh | | | | |
| | At the beginning of the year | 2983826 | 44.24 | 2983826 | 44.24 |
| | Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the end of the year | 2983826 | 44.24 | 2983826 | 44.24 |



| 2 Manharbhai Patel | | | | |
|---|-------|------|-------|------|
| At the beginning of the year | 86578 | 1.28 | 86578 | 1.28 |
| Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc): | 0 | 0 | 0 | 0 |
| At the end of the year | 86578 | 1.28 | 86578 | 1.28 |

| 3 Girishbhai Shah* | | | | |
|---|-----|------|-----|------|
| At the beginning of the year | 500 | 0.01 | 500 | 0.01 |
| Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc): | 0 | 0 | 0 | 0 |
| At the end of the year | 500 | 0.01 | 500 | 0.01 |

* Shri Girishbhai Shah, Independent Director ceased to be a Director due to his death on 22.10.2017.

| 4 Dr. Ramanbhai Patel | | | | |
|---|---|------|---|------|
| At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc): | 0 | 0 | 0 | 0 |
| At the end of the year | 0 | 0.00 | 0 | 0.00 |

| 5 Rekhaben Shah | | | | |
|---|---|------|---|------|
| At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc): | 0 | 0 | 0 | 0 |
| At the end of the year | 0 | 0.00 | 0 | 0.00 |

| 6 Anupbhai Shah | | | | |
|---|---|------|---|------|
| At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc): | 0 | 0 | 0 | 0 |
| At the end of the year | 0 | 0.00 | 0 | 0.00 |



| | | | | |
|---|---|------|---|------|
| 7 Viral Mehta | | | | |
| At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc): | 0 | 0 | 0 | 0 |
| At the end of the year | 0 | 0.00 | 0 | 0.00 |

v. Indebtedness

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness Rs. Crores |
|--|--|--------------------|----------|-------------------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i). Principal Amount | 35555847.59 | 6281619.73 | | 41837467.32 |
| ii). Interest due but not paid | | | | 0 |
| iii). Interest accrued but not due | | | | 0 |
| Total (i+ii+iii) | | | 0 | 41837467.32 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 3873764.91 | 213000.00 | | 4086764.91 |
| Reduction | 596183.94 | 602000.00 | | 1198183.94 |
| Net Change | 0 | 0 | 0 | 2888580.97 |
| Indebtedness at the end of the financial year | | | | |
| i). Principal Amount | 38833428.56 | 5892619.73 | | 44726048.29 |
| ii). Interest due but not paid | | | | 0 |
| iii). Interest accrued but not due | | | | 0 |
| Total (i+ii+iii) | 38833428.56 | 5892619.73 | 0 | 44726048.29 |
| Indebtedness at the end of the financial year | | | | |
| i). Principal Amount | 38833428.56 | 5892619.73 | | 44726048.29 |
| ii). Interest due but not paid | | | | 0 |
| iii). Interest accrued but not due | | | | 0 |
| Total (i+ii+iii) | 38833428.56 | 5892619.73 | 0 | 44726048.29 |



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sr. No. | Particulars of Remuneration | Name of Director | | Total Amount of Rs. |
|---------|---|--------------------|------------------|---------------------|
| | | Kaushikbhai Parikh | Manharbhai Patel | |
| 1. | Gross Salary | 34,02,000 | 34,02,000 | 68,04,000 |
| (a). | Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 0 | 0 | 0 |
| (b). | Value of perquisites under Section 17(2) Income Tax Act, 1961 | 0 | 0 | 0 |
| (c). | Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | 0 | 0 | 0 |
| 2. | Stock Options | 0 | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 | 0 |
| 4. | Commission | 0 | 0 | 0 |
| | - as % of profit | 0 | 0 | 0 |
| | - others, specify.... | 0 | 0 | 0 |
| 5. | Others, please specify | 0 | 0 | 0 |
| i). | Retirals | 0 | 0 | 0 |
| | Total (A) | 34,02,000 | 34,02,000 | 68,04,000 |

B. Remuneration to other Directors

| Sr. No. | Particulars of Remuneration | Name of Director | | | Total Amount of Rs. |
|---------|---|-------------------------|-----------------|--------------|---------------------|
| | | Girishbhai Shah | Ramanbhai Patel | Rekhben Shah | |
| 1. | Independent Directors | | | | |
| 1 | Fee for attending Board/ Committee Meetings | 0 | 0 | 0 | 0 |
| 2 | Commission | 0 | 0 | 0 | 0 |
| 3 | Others, please specify | 0 | 0 | 0 | 0 |
| | Total (B) | 0 | 0 | 0 | 0 |
| 2. | Other Non Executive Directors | | | | |
| 1 | Fee for attending Board/ Committee Meetings | 0 | 0 | 0 | 0 |
| 2 | Commission | 0 | 0 | 0 | 0 |
| 3 | Others, please specify | 0 | 0 | 0 | 0 |
| | Total(b)(2) | 0 | 0 | 0 | 0 |
| | Total(b)=(b)(1)+(b)(2) | 0 | 0 | 0 | 0 |
| | Overall Ceiling as per the Act | 1% of Net Profit | | | |



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

| Sr. No. | Particulars of Remuneration | Name of Key Managerial Personnel | | Total Amount of Rs. |
|---------|---|----------------------------------|---------------|---------------------|
| | | Anupkumar Shah | Viral Mehta | |
| 1. | Gross Salary | 462859 | 120000 | 592859 |
| (a). | Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | | | 0 |
| (b). | Value of perquisites under Section 17(2) Income Tax Act, 1961 | 0 | 0 | 0 |
| (c). | Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | 0 | 0 | 0 |
| 2. | Stock Options | 0 | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 | 0 |
| 4. | Commission | | | |
| | - as % of profit | 0 | 0 | 0 |
| | - others, specify.... | 0 | 0 | 0 |
| 5. | Others, please specify - Retirals | | | 0 |
| | Total (A) | 462859 | 120000 | 592859 |

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) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| B. DIRECTORS | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |



“ANNEXURE C”

**PARTICULARS REQUIRED UNDER THE COMPANIES ACT – 2013 – U/s 134 (3) (M) READ WITH
RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.**

(DISCLOSURE OF THE PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS)

| Total Foreign Exchange Used & Earned | | (Rs. In Lacs) | |
|---|--------------|----------------------|------------------|
| | | 2017-2018 | 2016-2017 |
| Total Foreign Exchange earned | (FOB) | 46.17 | 26.91 |
| Total Foreign Exchange used | (CIF) | 38.78 | 40.56 |



MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

‘ANNEXURE D’

Present Agriculture Scenario

Introduction

Agriculture is the primary source of livelihood for about 58 per cent of India's population. Gross Value Added by agriculture, forestry and fishing is estimated at Rs 17.67 trillion (US\$ 274.23 billion) in FY18

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.

Road Ahead

Government of India is working hard to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India will generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

Current Research

The research shows that bread wheat has complex hexaploid genome which is 40 times larger than that of rice genome and 5 times larger than human genome. Information generated by decoded wheat genome will help to identify genes controlling complex agronomic traits such as yield, grain quality, resistance to diseases and pests as well as tolerance to drought, heat, water logging and salinity. The availability of high quality reference genome will accelerate breeding of climate-resilient wheat varieties to feed ever-increasing world population and help address global food security in decades to come.

Need for Organic Farming.

The government is continuously working towards the development of the agribusiness sector through considerable emphasis on infrastructure and food processing. However, there is still a scope for further development and up-gradation of technology and agri-infrastructure to attain world-class standards. The main emphasis is on quality enhancement, infrastructure development and the use of modern technology. Organic farming was practiced in India since thousands of years. The great Indian civilization thrived on organic farming and was one of the most prosperous countries in the world, till the British ruled it. Increasing pesticide residues in food materials, eutrophication of surface and ground-waters and increasing nitrous oxide emissions which are detrimental to the ozone layer of the atmosphere, drew attention towards the harmful effects of modern agriculture and environmentalists pressed hard for a more sustainable agriculture. Furthermore, the overuse of plant growth inhibitor, pesticides and fertilizers for faster growth of agricultural produce is detrimental to human health and the environment as a whole.

Ocean Agro India Limited mission for SUSTAINABLE ECO-FRIENDLY FARMING

Ocean Agro recognizes, importance of Eco Friendly sustainable organic farming. Ocean Agro is committed for providing economical solution for this. Your company is providing better product mix which is economical and have better performance.



a. Industrial Structure and Developments

During 2017-18 crop year, food grain production is estimated at 279.51 million tonnes, as per third advance estimates while rice and wheat production in the country is estimated at 111.52 MT and 98.61 MT, respectively in the same period. Milk production was estimated at 165.4 million tones during FY17, while meat production was 7.4 million tunes. Total area in India, sown with rabi crops reached 64.29 million hectares in February 2018.

India is the second largest fruit producer in the world. Production of horticulture crops is estimated at record 307.16 million tones (mt) in 2017-18 as per second advance estimates.

Total agricultural exports from India grew at a CAGR of 16.45 per cent over FY10-18 to reach US\$ 38.21 billion in FY18. In April-May 2018 agriculture exports were US\$ 6.43 billion. India is the largest producer, consumer and exporter of spices and spice products. Spice exports from India reached US\$ 3.1 billion in 2017-18. Tea exports from India reached a 36 year high of 240.68 million kgs in CY 2017 while coffee exports reached record 395,000 tunes in 2017-18. Food & Grocery retail market in India was worth US\$ 380 billion in 2017.

Your Company has been constantly innovating through its persistent efforts in the field of Research & Development. As a result of these R & D efforts, company has been able to regularly introduce new eco-friendly products. As on date, two new products have been developed on pilot scale along with test marketing. In coming year it will be gradually introduced in the market and will increase company's turnover and profitability.

b. Opportunities and Threats.

To revolutionize the farming technique by educating farmers to adopt Hi-Tech Eco-friendly Farming so as to make farming sustainable. This is possible by using modern communication tools. It is economically viable now by motivating target farmers to practice modern technology to get higher yield with less cost.

In order to keep up with the global competitors that have entered the Indian agricultural market and the wide spread network of Dealers and farmers, the Company is implementing an in-house extension programme for farmers, to try our products, which will lead to demand generation.

c. Segment - Wise or Product – Wise performance.

In organic input market, company's soil amendment products and micronutrients are in high demand by farmers. Specialty Bio Fertilizers are also well received. Company's Function specific products have created demand from Cash Crops and horticulture segment.

d. Internal Control System and their adequacy.

The company has adequate internal control systems and procedure with regard to purchase, stores and raw materials including components, plant and machinery, other assets and for sale of goods.

The company has an adequate internal audit system commensurate with size and nature of its business. The company has engaged a firm of Chartered Accountants for its internal audit function. Reports of Internal Auditors are reviewed in the meetings of the Audit Committee of the Board.

e. Material developments in Human resources / Industrial Relations front, including number of people employed.

Industrial relations continued to be harmonious and cordial throughout the year. The Company has always valued its human resources and believes in unlimited potential of the each employee. The company employed 89 number of employees as on 31.03.2018.



f. Discussion on Financial Performance with respect to operational performance. (Rs. in Lacs)

| PARTICULARS | Year ended 31/03/2018 | Year ended 31/03/2017 |
|--|----------------------------------|----------------------------------|
| Income for the year was | 2005.04 | 2350.55 |
| The year's working shows a Gross Profit of | 93.02 | 184.56 |
| Out of which, Provisions have been made for :- | | |
| Depreciation | 35.17 | 31.52 |
| Provision for Taxation : | | |
| (i) Current Income Tax | 17.50 | 24.00 |
| (ii) Deferred Tax | | |
| Provision for doubtful debts | 20.00 | 80.00 |
| Previous year expenses | 0.00 | 0.00 |
| Profit after Income Tax | 20.35 | 49.04 |



INDEPENDENT AUDITORS' REPORT

To,
The Members of
OCEAN AGRO (INDIA) LIMITED

1. We have audited the accompanying standalone financial statements of Ocean Agro (India) Limited ('the Company') which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income) and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.
2. **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for



our audit opinion on the standalone financial statements.

4. Qualified Opinion

1. As per opinion of the company, it has carried out investigation in respect of old outstanding debtors and taken incentive steps to recover old outstanding debtors and reviving those customers by supply of goods to them. The company hope to recover old outstanding dues from old debtors and therefore after a detailed analytical review of recovering the same, about Rs. 1336.76 Lacs dues are pending out of which Rs. 1021.96 dues are above 3 years for which provision should be made. A sum of Rs. 20 Lacs is provided as Provision for Bad debts by the company and balance will be provided in phased manner and also it plans to apply a settlement process with new incentives to recover dues. A sum of Rs. 28.28 Lacs is already written off as bad debts out of accumulated provision of Rs. 64.49 Lacs leaving balance provision of Rs. 36.21 Lacs. To this extent of unprovided amount, profit is overstated and loss is understated.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Qualified opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India as at 31 March 2018 and its consolidated changes in equity for the year then ended;

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March, 2018;
 - (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
 - (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.
2. The Company has not followed Indian Accounting standards properly as applicable from April 1, 2017. The Company assures to comply the same from coming years.

5. Report on Other Legal and Regulatory Requirements

1. As required by the 'Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act. we give in the Annexure A Statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose Of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The balance sheet, statement of profit and loss and cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the relevant Rule issued thereunder;



- e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
 - i. "The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii The Company is not required to transfer amount to investor education and protection fund.

For **Kishor Sheth & Co.**
Chartered Accountants

CA. Kishor Sheth & Co.
Partner
M. No. 14603

Place : Mumbai
Date : 30th May, 2018



ANNEXURE - A TO THE AUDITORS' REPORT

(Referred to in Paragraph (1) of our report of even date)

The Annexure referred to in our report to the members of Ocean Agro (India) Limited ('the Company') for the year ended 31 March 2018. We report that:

- I. In respect of its fixed assets -
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets..
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- II
 - a) As explained to us, the inventories have been physically verified at reasonable intervals by the management during the year. In respect of substantial portion of the stock lying with agents, Certificates containing details of stock have been received.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate as regards the size of the company and the nature of its business..
 - c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.
- III In respect of loans, secured or unsecured the company has granted advances for business to a company, firms and other parties covered in the register maintained under section 189 of the act.
 - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- IV In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- V The Company has not accepted any deposits from the public.
- VI The cost records specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products not required to maintain.
- VII In respect of statutory dues:
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
 - b) According to the information and explanations given to us, there are no dues of duty of customs



which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax and sales tax have not been deposited by the Company on account of disputes:

| Sr. No. | Year | Liability | Amount Rs. | Status |
|---------|-----------------|------------|------------|---|
| 1 | A.Y 2000 - 2001 | Income Tax | 7,19,311 | Appeal pending with High Court. Ahmedabad |
| 2 | A.Y 2007 - 2008 | C.S.T. | 2,75,804 | Appeal pending with Commercial Tax Officer, Ghatak (II) Vadodara. |

VIII The Company has not defaulted in repayment of dues to banks and financial institutions during the year. The Company has not issued any debentures during the year.

IX The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised during the year.

X According to the information and explanation 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 and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

XIII According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

XIV According to the information and explanations give 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 The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Kishor Sheth & Co.**
Chartered Accountants

CA. Kishor Sheth & Co.
Partner
M. No. 14603

Place : Mumbai
Date : 30th May, 2018



ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Ocean Agro (India) Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only



in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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



BALANCE SHEET AS AT 31st March 2018

| Particulars | Notes No. | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|--|--------------|-------------------------------|-------------------------------|
| I EQUITY AND LIABILITIES | | | |
| 1 Shareholder's Funds | | | |
| (a) Share Capital | 1 | 75,871,545.00 | 75,871,545.00 |
| (b) Reserve & Surplus | 2 | 16,75,14,852.09 | 165,479,245.12 |
| (c) Money received against share warrants | | | 0.00 |
| | | 24,33,86,397.09 | 241,350,790.12 |
| 2 Share application money pending allotment | | 0.00 | 0.00 |
| 3 Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | 12,39,448.38 | 841,211.95 |
| (b) Deferred tax liabilities (Net) | | 0.00 | 0.00 |
| (c) Other Long term liabilities | 4 | 58,92,619.73 | 6,281,619.73 |
| (d) Long term provisions | | 0.00 | 0.00 |
| | | 71,32,068.11 | 7,122,831.68 |
| 4 Current Liabilities | | | |
| (a) Short-term borrowings | 5 | 3,75,93,980.18 | 34,714,635.64 |
| (b) Trade payables | 6 | 67,18,460.81 | 6,389,002.98 |
| (c) Other current liabilities | 7 | 7,05,584.72 | 2,199,347.36 |
| (d) Short-term Provision | 8 | 69,64,992.70 | 8,585,022.70 |
| | | 5,19,83,018.41 | 51,888,008.68 |
| Total | | 30,25,01,483.61 | 300,361,630.48 |
| II Assets | | | |
| Non-Current assets | | | |
| 1 (a) Fixed Assets : | | | |
| (i) Tangible assets | 9 | 5,38,07,793.04 | 52,186,520.52 |
| (ii) Intangible assets | 10 | 0.00 | 0.00 |
| (iii) Capital work-in-progress | | 0.00 | 0.00 |
| (iv) Intangible assets under development | | 0.00 | 0.00 |
| | | 5,38,07,793.04 | 52,186,520.52 |
| (b) Non-Current Investments in fully owned Ocean Agro LLC | 11 | 6,00,84,453.00 | 56,206,303.00 |
| (c) Deferred Tax assets (Net) | 12 | 0.00 | 0.00 |
| (d) Long-term loans and advances | 13 | 1,05,36,779.64 | 10,324,563.50 |
| (e) Other Non-Current assets | | 0.00 | 0.00 |
| 2 Current assets | | | |
| (a) Current Investments | | 0.00 | 0.00 |
| (a) Inventories | 14 | 4,02,52,013.00 | 42,305,341.00 |
| (b) Trade receivables | 15 | 13,36,76,170.16 | 133,274,374.67 |
| (c) Cash & Cash equivalents | 16 | 41,07,802.78 | 6,022,653.79 |
| (d) Short term loans and advances | | 0.00 | 0.00 |
| (f) Other current assets | 17 | 36,472.00 | 41,874.00 |
| | | 17,80,72,457.94 | 181,644,243.46 |
| Total | | 30,25,01,483.61 | 300,361,630.48 |

As per our Report of even date
Kishor Sheth & Co.
Chartered Accountants

For Ocean Agro (India) limited

CA. Kishor Sheth & Co.
M. No. 14603

K.B. Parikh
Managing Director

M.D. Patel
Jt. Managing Director

Place : Mumbai
Date : 30th May 2018

Place : Vadodara
Date : 30th May 2018



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2018

| Particulars | | Notes No. | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|--------------|---|--------------|-------------------------------|-------------------------------|
| I | Revenue from operations | 18 | 20,05,04,189.05 | 235,055,279.91 |
| II | Other Income | 19 | (1,60,869.63) | 56,337.12 |
| III | Total Revenue (I + II) | | 20,03,43,319.42 | 235,111,617.03 |
| IV | Expenses : | | | |
| | Cost of Material Consumed | 20 | 4,36,84,441.70 | 55,329,759.10 |
| | Purchase of stock-in-Trade | 21 | 0.00 | 0.00 |
| | Changes in inventories of finished goods work-in-progress and stock trade | 21 | 14,98,997.00 | (2,499,125.00) |
| | Employee benefits expense | 22 | 2,29,35,347.65 | 21,351,473.00 |
| | | | 6,81,18,786.35 | 74,182,107.10 |
| V | Finance costs | 23 | 50,41,210.32 | 5,115,343.51 |
| VI | Depreciation and amortization expense | 24 | 35,16,973.70 | 3,151,503.69 |
| VII | Other Expense | 25 | 11,78,80,611.08 | 137,357,967.32 |
| | Total Expense | | 19,45,57,581.45 | 219,806,921.62 |
| VIII | Profit before exceptional and extraordinary items and tax (III - VII) | | 57,85,737.97 | 15,304,695.41 |
| IX | Exceptional Items | 26 | 20,00,000.00 | 2,000,000.00 |
| X | Profit before extraordinary items and tax (VIII - IX) | | 37,85,737.97 | 7,304,695.41 |
| XI | Extraordinary Items | | 0.00 | 0.00 |
| XII | Profit before Tax (X - XI) | | 37,85,737.97 | 7,304,695.41 |
| XIII | Tax expense: | | | |
| | (1) Current Tax | | 17,50,000.00 | 2,400,000.00 |
| | (2) Deferred Tax | | 0.00 | 0.00 |
| | | | 17,50,000.00 | 2,400,000.00 |
| XIV | Profit (Loss) for the period from continuing operations (XII - XIII) | | 20,35,737.97 | 4,904,695.41 |
| XV | Profit/(Loss) form discontinuing operations | | 0.00 | 0.00 |
| XVI | Tax Expense of discontinuing operations | | (131.00) | 0.00 |
| XVII | Profit/(Loss) from discontinuing operations (after tax) (XV - XVI) | | (131.00) | 0.00 |
| XVIII | Profit (Loss) for the period (XIV+ XVII) | | 20,35,606.97 | 4,904,695.41 |
| XVIII | Earnings per equity share : | | | |
| | (1) Basic | | 0.30 | 0.73 |
| | (2) Diluted | | 0.00 | 0.00 |

As per our Report of even date
Kishor Sheth & Co.
Chartered Accountants

For Ocean Agro (India) limited

CA. Kishor Sheth & Co.
M. No. 14603

K.B. Parikh
Managing Director

M.D. Patel
Jt. Managing Director

Place : Mumbai
Date : 30th May 2018

Place : Vadodara
Date : 30th May 2018



Note 1 : Share Capital

| Particulars | As at 31/03/2018 | As at 31/03/2017 |
|---|-----------------------|-----------------------|
| | Rupees | Rupees |
| AUTHORISED : | | |
| 2,99,70,000 Equity Shares of Rs. 10/- each | 299,700,000.00 | 299,700,000.00 |
| 30,000 Non-cumulative 10% Redeemable Preference Shares of Rs. 10/- each | 300,000.00 | 300,000.00 |
| | 300,000,000.00 | 300,000,000.00 |
| ISSUED, SUBSCRIBED AND PAID UP : | | |
| ISSUED & SUBSCRIBED : | | |
| 84,37,900 Equity Shares of Rs.10/- each | 84,379,000.00 | 84,379,000.00 |
| | 84,379,000.00 | 84,379,000.00 |
| PAID UP SHARE CAPITAL : | | |
| 67,44,900 Equity Shares of Rs.10/- each Fully paid up | 67,449,000.00 | 67,449,000.00 |
| Paid-up amount on Shares Forfeited | 8,384,500.00 | 8,384,500.00 |
| Excess Paid-up amount on Forfeited Shares | 38,045.00 | 38,045.00 |
| | 75,871,545.00 | 75,871,545.00 |

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Note 1 : (a) Details of Share holders holding more than 5% Share in the Company

| Name of Shareholders | As at 31/03/2018 | | As at 31/03/2017 | |
|--|-------------------|--------------|-------------------|--------------|
| | No of Shares held | % of holding | No of Shares held | % of holding |
| Kaushik Babubhai Parikh | 2,983,826.00 | 44.24 | 2,983,826.00 | 44.24 |
| Om Pesticides (Nandesari) Pvt. Ltd. | 544,285.00 | 8.07 | 544,285.00 | 8.07 |
| Associated Manufacutring (Rania) Pvt. Ltd. | 94,070.00 | 1.39 | 94,070.00 | 1.39 |
| Ushaben K. Parikh | 345,042.00 | 5.12 | 345,042.00 | 5.12 |



Note 2 : RESERVE & SURPLUS

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|--|-------------------------------|-------------------------------|
| CAPITAL RESERVE | 0.00 | 0.00 |
| CAPITAL REDUMPTION RESERVE | 0.00 | 0.00 |
| Add : Profit/(Loss) during the Year | 0.00 | 0.00 |
| SECURITIES PREMIUM ACCOUNT | | |
| Share Premium on Shares | 148,487,534.00 | 148,487,534.00 |
| Share Premium on Forfeited Shares | 0.00 | 0.00 |
| Excess Premium received on Shares | 0.00 | 0.00 |
| | 148,487,534.00 | 148,487,534.00 |
| GENERAL RESERVE : | | |
| Opening Balance | 11,909,474.91 | 11,903,474.91 |
| Additions during the Year | 0.00 | 0.00 |
| | 11,903,474.91 | 11,903,474.91 |
| SURPLUS/(DEFICIT) IN THE STATEMENT OF PROFIT AND LOSS | | |
| Balance as per last financial statements | 50,88,236.22 | 183,540.80 |
| Profit for the year | 20,35,606.97 | 4,904,695.41 |
| NET SURPLUS IN THE STATEMENT OF PROFIT AND LOSS | 71,23,843.19 | 5,088,236.22 |
| TOTAL RESERVE AND SURPLUS | 16,75,14,852.09 | 165,479,245.12 |

Note 3 : Long term borrowing

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|----------------------------------|-------------------------------|-------------------------------|
| Secured Loan | | |
| Loan against FDR / H.D.F.C / BOB | 12,39,448.38 | 841,211.95 |
| Loans & Advances Received | 0.00 | 0.00 |
| | 12,39,448.38 | 841,211.95 |

Loan from Bank of Baroda against vehicle, repayable starting from Aug-2016 for 36 month.

Note 4 : Other Long Term Liabilities

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|-------------------|-------------------------------|-------------------------------|
| Dealers' Deposits | 58,92,619.73 | 6,281,619.73 |
| | 58,92,619.73 | 6,281,619.73 |



Note 5 : Short-Term Borrowings

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|------------------------------------|-------------------------------|-------------------------------|
| Bank of Baroda Cash Credit Account | 3,75,93,980.18 | 34,714,635.64 |
| | 3,75,93,980.18 | 34,714,635.64 |

Cash Credit from Bank of Baroda Carry interest @11.50% to 12.05% p.a. The C.C. is secured against charge of inventory book debt advances plot of lease hold land. Further the loan has been guaranteed by the personal guarantee of director Kaushik Babubhai Parikh, Manhar Dayalji bhai Patel.

Note 6 : Trade Payable

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|----------------------------|-------------------------------|-------------------------------|
| CURRENT LIABILITIES | | |
| Creditors for Goods | 57,32,197.60 | 5,779,824.36 |
| Creditors for Expenses | 9,86,263.21 | 609,178.62 |
| | 67,18,460.81 | 6,389,002.98 |

Note 7 : Other Current Liabilities

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|------------------------|-------------------------------|-------------------------------|
| Other Payable : | | |
| Statutory due | 1,08,187.42 | 1,906,152.06 |
| Other | 5,97,397.30 | 293,195.30 |
| | 7,05,584.72 | 2,199,347.36 |

Note 8 : Short term Provision

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|------------------------------|-------------------------------|-------------------------------|
| PROVISIONS : | | |
| Provision for doubtful debts | 36,21,234.20 | 4,449,735.20 |
| Other Provisions | 15,93,758.50 | 1,735,287.50 |
| Provision for Income-tax | 17,50,000.00 | 2,400,000.00 |
| | 69,64,992.70 | 8,585,022.70 |



Note 9 : Tangible Assets

| Particulars | As at 31/03/2018 | As at 31/03/2017 |
|-------------------------------------|------------------------|-----------------------|
| | Rupees | Rupees |
| Opening balance | 21,80,49,818.69 | 213,250,457.69 |
| Add : Additions during the Period | 51,38,246.58 | 5,285,881.00 |
| Less : Deductions during the period | 0.00 | 486,520.00 |
| Gross Block | 22,31,88,065.27 | 218,049,818.69 |
| Depreciation upto prv. year | 16,58,63,298.53 | 163,198,314.48 |
| Less : Deductions Written back | 0.00 | 486,520.00 |
| Add : Depreciation for the Period | 35,16,973.70 | 3,151,503.69 |
| | 16,93,80,272.23 | 165,863,298.16 |
| Net Block | 5,38,07,793.04 | 52,186,520.53 |

Note 9 : Tangible Assets

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------|------------------------------|-------------------------------|------------------------|------------------------------|---------------------------|--------------------------|------------------------|------------------------------|------------------------------|
| | Op. Balance as on 31/03/2017 | Adtn./(Dedn.) during the Year | Total as on 31/03/2018 | Op. Balance as on 31/03/2017 | Ddn/Adjst during the year | Provided during the year | Total as on 31/03/2018 | Cl. Balance as on 31/03/2018 | Cl. Balance as on 31/03/2017 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Leasehold Land | 6,741.913.00 | 0.00 | 67,41,913.00 | 0.00 | 0.00 | 0.00 | 0.00 | 67,41,913.00 | 6,741,913.00 |
| Buildings | 39,835,181.51 | 9,34,516.48 | 4,07,69,697.99 | 26,952,143.36 | 0.00 | 13,39,999.48 | 2,82,92,142.84 | 1,24,77,555.15 | 12,883,038.15 |
| Plant & Machinery | 146,250,968.31 | 19,19,349.25 | 14,81,70,317.56 | 118,802,918.83 | 0.00 | 12,19,016.90 | 12,00,21,935.73 | 2,81,48,381.83 | 27,448,049.48 |
| Furniture & Fixtures | 4,583,982.29 | 0.00 | 45,83,982.29 | 4,580,552.57 | 0.00 | 0.00 | 45,80,552.57 | 3,429.72 | 3429.72 |
| Vehicles | 10,907,774.36 | 11,00,000.00 | 1,20,07,774.36 | 8,213,233.29 | 0.00 | 5,82,987.81 | 87,96,221.10 | 32,11,553.26 | 2,694,541.07 |
| Office Equipment | 2,963,748.24 | 99,575.18 | 30,63,323.42 | 2,579,830.43 | 0.00 | 1,18,368.44 | 26,98,198.86 | 3,65,124.55 | 383,917.81 |
| Eqp. under Testing | 1,158,200.00 | 0.00 | 11,58,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 11,58,200.00 | 1,158,200.00 |
| Computer Software | 5,608,050.98 | 10,84,805.67 | 66,92,856.65 | 4,734,620.05 | 0.00 | 2,56,601.07 | 49,91,221.12 | 17,01,635.53 | 873,430.93 |
| TOTAL | 218,049,818.69 | 51,38,246.58 | 22,31,88,065.27 | 165,863,298.53 | 0.00 | 35,16,973.70 | 16,93,80,272.22 | 5,38,07,793.04 | 52,186,520.17 |
| Previous Year's Total | 213,250,457.69 | 4,799,361.00 | 218,049,818.69 | 163,198,314.84 | 486,520.00 | 3,151,503.69 | 165,863,298.52 | 52,186,520.17 | |

Note 11 : Non Current Investments

| Particulars | As at 31/03/2018 | As at 31/03/2017 |
|---|-----------------------|----------------------|
| | Rupees | Rupees |
| Trade Investment | | |
| Investment in Subsidiary fully owned Ocean Agro LLC | 6,00,84,453.00 | 56,206,303.00 |
| | 6,00,84,453.00 | 56,206,303.00 |

Company has established with name ' OCEAN AGRO LLC ' 100% fully owned subsidiary company. Company has transferred US \$ 9,96,000. For that shares yet to be issued.



Note 12 : Deferred Tax assets (Net)

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---|---------------------|-------------|---------------------|
| | Rupees | Rupees | Rupees |
| Deferred Tax Liabilities | | | |
| Provision for doubtful debts and advances | 0.00 | | 0.00 |
| Other Provision | 0.00 | | 0.00 |
| | | 0.00 | 0.00 |

Note 13 : Long-term Loans and Advances

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---|---------------------|-----------------------|----------------------|
| | Rupees | Rupees | Rupees |
| Capital advances | | | |
| Secured, Considered Good | 0.00 | | 0.00 |
| Unsecured, Considered Good | 0.00 | | 0.00 |
| Total : A | | 0.00 | 0.00 |
| Security deposit | | | |
| Secured, Considered Good | 0.00 | | 0.00 |
| Unsecured, Considered Good | 19,07,859.27 | | 1,879,464.27 |
| Provision for doubtful security deposit | 0.00 | | 0.00 |
| Total : B | | 19,07,859.27 | 1,879,464.27 |
| Loan and advances to related parties | | | |
| Unsecured, Considered Good | 0.00 | | 0.00 |
| Total : C | | 0.00 | 0.00 |
| Advances recoverable in cash or kind | | | |
| Secured, Considered Good | 0.00 | | 0.00 |
| Unsecured, Considered Good | 86,28,920.37 | | 8,445,099.23 |
| Provision for doubtful advances | 0.00 | | 0.00 |
| Total : D | | 86,28,920.37 | 8,445,099.23 |
| Other loans and advances | | | |
| Advance income-tax (net of provision for taxation) | 0.00 | | 0.00 |
| Prepaid expenses | 0.00 | | 0.00 |
| Loans to employees | 0.00 | | 0.00 |
| Balances with statutory/government authorities | 0.00 | | 0.00 |
| Total : E | | 0.00 | 0.00 |
| | | 1,05,36,779.64 | 10,324,563.50 |

Note 14 : Inventories

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---|---------------------|-----------------------|----------------------|
| | Rupees | Rupees | Rupees |
| INVENTORY : | | | |
| (as taken, valued &certified by the management) | | | |
| Closing Stock of Finished Goods (at cost) | 2,78,15,890.00 | | 29,314,887.00 |
| Closing Stock of Raw Material (at cost) | 59,07,583.00 | | 5,280,586.00 |
| Closing Stock of Packing Material (at cost) | 65,28,540.00 | | 7,709,868.00 |
| | | 4,02,52,013.00 | 42,305,341.00 |



Note 15 : Trade receivables and other assets

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---|---------------------|------------------------|-----------------------|
| | Rupees | Rupees | Rupees |
| Outstanding for a period exceeding six months from the date they are due for payment | | | |
| Secured, Considered Good | 10,39,80,772.16 | | 105,269,533.67 |
| Unsecured, Considered Good | 0.00 | | 0.00 |
| Doubtful | 0.00 | | 0.00 |
| | | 10,39,80,772.16 | 105,269,533.67 |
| Less : Provision for doubtful receivable | 0.00 | | 0.00 |
| | | 10,39,80,772.16 | 105,269,533.67 |
| Other Receivable | | | |
| Secured, Considered Good | 0.00 | | 0.00 |
| Unsecured, Considered Good | 2,96,95,398.00 | | 28,004,841.00 |
| Doubtful | 0.00 | | 0.00 |
| | | 2,96,95,398.00 | 28,004,841.00 |
| Less : Provision for doubtful receivable | 0.00 | 0.00 | 0.00 |
| | | 2,96,95,398.00 | 28,004,841.00 |
| | | 13,36,76,170.16 | 133,274,374.67 |

Note 16 : Cash & Cash equivalents

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|--|---------------------|---------------------|---------------------|
| | Rupees | Rupees | Rupees |
| CASH & BANK BALANCES : | | | |
| On Current accounts | 35,93,668.46 | | 5,460,624.47 |
| Deposit with original maturity of less than 3 months | 0.00 | | 0.00 |
| Cash on Hand | 5,14,134.32 | | 562,029.32 |
| | | 41,07,802.78 | 6,022,653.79 |

Note 17 : Other Assets

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|------------------------------------|---------------------|------------------|---------------------|
| | Rupees | Rupees | Rupees |
| Interest accrued on fixed deposits | 0.00 | | 0.00 |
| Interest accrued on Investment | 0.00 | | 0.00 |
| Others | 36,472.00 | | 41,874.00 |
| | | 36,472.00 | 41,874.00 |



Note 18 : Revenue from Operations

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---------------------------------------|------------------------|--------|-----------------------|
| | Rupees | Rupees | Rupees |
| Revenue from operation | | | |
| Sales of Products | | | |
| Finished Goods | 19,46,06,191.50 | | 0.00 |
| Trade Goods | | | |
| Domestic Sales | 0.00 | | 229,374,786.96 |
| Export Sales | 58,97,997.55 | | 5,680,492.95 |
| Revenue from operation (Gross) | 20,05,04,189.05 | | 235,055,279.91 |
| Less : Excise Duty | 0.00 | | 0.00 |
| Revenue from operation (Net) | 20,05,04,189.05 | | 235,055,279.91 |

Note 19 : Other Income

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|-----------------------------------|----------------------|--------|---------------------|
| | Rupees | Rupees | Rupees |
| Interest Income on | | | |
| Bank deposits | 0.00 | | 0.00 |
| Long-term Investments | 0.00 | | 0.00 |
| Current Investment | 0.00 | | 0.00 |
| Dividend income on | 0.00 | | 0.00 |
| Other non-operating income | | | |
| Income from Sale of Assets | 0.00 | | 75,419.00 |
| Misc. Income | (1,60,869.63) | | (19,081.88) |
| | (1,60,869.63) | | 56,337.12 |

Note 20 : Cost of Material Consumed

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|-------------------------------|-----------------------|--------|----------------------|
| | Rupees | Rupees | Rupees |
| RAW MATERIAL : | | | |
| Opening Stock | 52,80,586.00 | | 5,619,288.00 |
| Add : Purchases | 3,42,93,740.29 | | 42,024,254.61 |
| Add : Purchase Tax | 0.00 | | 0.00 |
| | <u>3,95,74,326.29</u> | | <u>47,643,542.61</u> |
| Less : Closing Stock | 59,07,583.00 | | 5,280,586.00 |
| | 3,36,66,743.29 | | 42,362,956.61 |
| PACKING MATERIALS : | | | |
| Opening Stock | 76,66,795.00 | | 7,124,938.00 |
| Add : Purchases | 85,50,046.25 | | 13,255,314.49 |
| | <u>1,62,16,841.25</u> | | <u>20,380,252.49</u> |
| Less : Closing Stock | 64,99,203.00 | | 7,666,795.00 |
| | 97,17,638.25 | | 12,713,457.49 |
| PRINTING INK : | | | |
| Opening Stock | 43,073.00 | | 21,444.00 |
| Add : Purchases | 2,86,324.16 | | 274,974.00 |
| | <u>3,29,397.16</u> | | <u>296,418.00</u> |
| Less : Closing Stock | 29,337.00 | | 43,073.00 |
| | 3,00,060.16 | | 253,345.00 |
| Add : FINISHED GOODS : | 0.00 | | 0.00 |
| | 4,36,84,441.70 | | 55,329,759.10 |



Note 21 : Changes in Inventories of Finished Goods Work-In-Progress and Stock Trade

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---|---------------------|---------------------|-----------------------|
| | Rupees | Rupees | Rupees |
| Inventories at the end of the year | | | |
| Traded goods | 0.00 | | 0.00 |
| Work in progress | 0.00 | | 0.00 |
| Finished Goods | 2,57,62,687.00 | | 27,261,684.00 |
| Inventories at the beginning of the year | | | |
| Traded goods | 0.00 | | 0.00 |
| Work in progress | 0.00 | | 0.00 |
| Finished Goods | 2,72,61,684.00 | | 24,762,559.00 |
| | | 14,98,997.00 | (2,499,125.00) |

Note 22 : Employee benefit expenses

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|------------------------------------|---------------------|-----------------------|-----------------------|
| | Rupees | Rupees | Rupees |
| Salaries | 37,17,861.00 | | 2,959,167.00 |
| Wages Paid | 34,95,742.00 | | 3,386,394.00 |
| Directors' Remuneration | 59,94,000.00 | | 5,994,000.00 |
| Administrative Charges to E.P.F. | 1,11,692.00 | | 100,505.00 |
| Company's Contribution to E.S.I.C. | 3,07,530.00 | | 241,667.00 |
| Company's Contribution to E.D.L.I. | 56,270.00 | | 53,062.00 |
| Company's Contribution to E.P.F. | 3,27,194.00 | | 248,564.00 |
| Company's Contribution to F.P.F. | 4,01,963.00 | | 421,656.00 |
| Company's Contribution to LWF | 0.00 | | 0.00 |
| Conveyance Allowance | 6,33,507.00 | | 396,727.00 |
| Medical Reimbursement | 1,34,944.00 | | 75,261.00 |
| Rent Allowance | 3,11,208.00 | | 214,912.00 |
| Employees Welfare Fund | 10,09,063.65 | | 872,845.00 |
| Incentive to Staff | 18,64,691.00 | | 2,096,240.00 |
| Incentive to Workers | 15,32,579.00 | | 1,221,581.00 |
| Incentive | 0.00 | | 0.00 |
| Overtime | 0.00 | | 0.00 |
| Stipend Paid | 1,68,038.00 | | 157,510.00 |
| Bonus | 20,23,623.00 | | 2,160,359.00 |
| Exgratia | 3,59,393.00 | | 438,740.00 |
| Gratuity | 3,36,424.00 | | 242,181.00 |
| Leave Encashment | 1,49,625.00 | | 70,102.00 |
| | | 2,29,35,347.65 | 2,13,51,473.00 |



Note 23 : Finance Cost

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---------------------|---------------------|--------|---------------------|
| | Rupees | Rupees | Rupees |
| Bank Interest | 46,02,131.71 | | 4,539,368.14 |
| Bank Charges | 2,90,876.61 | | 417,774.37 |
| Interest to Others | 1,48,202.00 | | 158,201.00 |
| Exchange difference | 0.00 | | 0.00 |
| | 50,41,210.32 | | 5,115,343.51 |

Note 24 : Depreciation and Amortization Expense

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---|---------------------|--------|---------------------|
| | Rupees | Rupees | Rupees |
| Depreciation of tangible assets | 35,16,973.70 | | 3,151,503.69 |
| Amortization of intangible assets | 0.00 | | 0.00 |
| Depreciation of Investment property | 0.00 | | 0.00 |
| Less : recoupment for revaluation reserve | 0.00 | | 0.00 |
| | 35,16,973.70 | | 3,151,503.69 |

Note 25 :Other Expense

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|-------------------------------|---------------------|--------|---------------------|
| | Rupees | Rupees | Rupees |
| Consultation Charges | 37,87,164.00 | | 37,16,562.00 |
| Consultation Charges – Excise | 0.00 | | 2000.00 |
| Consumable Stores | 7,85,251.14 | | 6,45,537.00 |
| Conveyance Expense | 1,18,267.00 | | 1,38,548.00 |
| Design / Art work | 9046.42 | | 18,640.00 |
| Donation | 3900.00 | | 1,501.00 |
| Electricity | 24,14,768.00 | | 28,18,627.00 |
| Excise Paid | 28,03,062.00 | | 1,23,17,076.00 |
| FBT Expenses | 0.00 | | 0.00 |
| Food & Beverages | 1,18,150.08 | | 2,92,468.00 |
| Freight | 56,87,357.72 | | 74,77,400.00 |
| General Expenses | 32,753.69 | | 59,357.02 |
| Hardware & Electricals | 4,31,924.79 | | 5,86,082.00 |
| Insurance | 4,57,071.03 | | 352,435.00 |
| Internet charges | 860.00 | | 805.00 |
| Laboratory Expenses | 1,66,701.45 | | 194,839.98 |
| Labour Charges | 2,75,205.00 | | 4,29,258.00 |
| Legal Charges | 1,07,970.00 | | 480,725.00 |
| Liaison Expenses | 2,15,600.00 | | 341,500.00 |
| License Fees | 0.00 | | 120,178.50 |
| Medical Expense | 2,24,392.00 | | 156,849.00 |
| Weighing Charges | 24,250.00 | | 27,900.00 |

Cont.. (P.T.O.)



Note 25 :Other Expense (Contd.....)

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---------------------------------------|---------------------|-----------------------|-----------------------|
| | Rupees | Rupees | Rupees |
| Office Expenses | 9,88,881.26 | | 990,594.00 |
| Processing Expenses | 0.00 | | 0.00 |
| Rates & Taxes | 16,95,739.00 | | 2,628,769.00 |
| Rent Expenses | 54,000.00 | | 54,000.00 |
| Repairs & Maint. to Plant & Machinery | 6,20,275.28 | | 1,096,909.00 |
| Repairs to Building | 11,79,378.80 | | 853,923.00 |
| Repairs to Others | 2,50,149.90 | | 457,285.00 |
| Sales Tax Paid | 17,577.00 | | 18,347.00 |
| Repairs to Cars | 1,65,708.88 | | 202,546.00 |
| Repairs to Vehicle | 7,570.00 | | 5,380.00 |
| Service Tax | 1,54,164.00 | | 650,827.00 |
| Stationery & Printing | 3,88,012.80 | | 515,131.00 |
| Stores & Spares | 1,04,929.45 | | 81,446.00 |
| Subscription and Periodicals | 34,425.00 | | 30,262.00 |
| Telephone/Trunkcall/Postage | 5,05,345.81 | | 755,121.17 |
| Travelling | 25,908.00 | | 84,253.00 |
| Water | 1,16,514.00 | | 123,125.00 |
| Web Charges | 10,509.00 | | 1,250.00 |
| Membership fees | 3,52,155.00 | | 396,253.00 |
| Petrol to Cars | 9,66,858.00 | | 735,004.00 |
| Petrol to Motorcycles | 1,68,454.00 | | 147,269.00 |
| Typing & Duplicating | 22,047.00 | | 12,775.00 |
| Bad Debts Written off | 0.00 | | 0.00 |
| Security Charges | 6,11,774.00 | | 0.00 |
| Previous Years Expenses | 0.00 | | (194,162.89) |
| Audit Fees | 3,70,000.00 | | 347,225.00 |
| Marketing Expenses | 1,53,14,570.21 | | 14,197,687.80 |
| Sales Distribution Expenses | 3,41,74,032.71 | | 35,582,914.00 |
| Forwarding Expenses | 1,48,40,723.74 | | 18,167,937.45 |
| Advertising Expenses | 3,32,416.00 | | 354,111.00 |
| Commission | 30,99,498.00 | | 3,914,185.00 |
| Sales Discount | 2,36,45,299.92 | | 24,969,312.29 |
| | | 117,880,611.08 | 137,357,967.32 |

Note 25 : (a) Other Expense

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---------------------------|---------------------|--------------------|---------------------|
| | Rupees | Rupees | Rupees |
| Payment to auditor | | | |
| As auditor | | | |
| Audit Fees | 2,70,000.00 | | 347,225.00 |
| Tax Audit Fee | 1,00,000.00 | | 0.00 |
| Limited review | 0.00 | | 0.00 |
| In other Capacity | | | |
| Taxation Matters | 0.00 | | 0.00 |
| Company Law matters | 0.00 | | 0.00 |
| Management Services | 0.00 | | 0.00 |
| Other Services | 0.00 | | 0.00 |
| | | 3,70,000.00 | 347,225.00 |



Note 26 : Bad debt provision & Written off

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|---|-------------------------------|-------------------------------|
| Bad debt written off | 0.00 | 0.00 |
| Less : Transfer from Provision for doubtful debt | 0.00 | 0.00 |
| Add : Provision for the year | 2,000,000.00 | 8,000,000.00 |
| Less : Excess Provision written off | 0.00 | 0.00 |
| | 2,000,000.00 | 8,000,000.00 |

Note 27

1. Significant Accounting Policies:

1.1 System of Accounting:

- Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the Purchasing Power of money.
- The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis, except interest on margin money deposit with Bank of Baroda, and Gratuity.

1.2 Revenue Recognition:

Sales are inclusive of Excise Duty and are net of Trade Discounts and sales returns.

1.3 Fixed Assets:

Fixed Assets are carried at cost of acquisition/installation. Fixed Assets are shown net of accumulated depreciation and amortised amount (except on Leasehold Land). Cost includes related taxes, duties, freight, insurance etc. attributable to acquisition and installation of assets and borrowing cost incurred upto the date of commencing operations, but excludes duties and taxes that are recoverable subsequently from taxing authorities.

1.4 Depreciation:

Depreciation on all the assets is being provided on "Straight Line Method" in accordance with the method prescribed in schedule II of the company act 2013. Depreciation on additions during the year is being provided on pro-rata. Plant & Machinery which were not put to use during the year were not considered for the purpose of depreciation. The same would be considered for depreciation as and when the said machinery would be put to use again. During the year no depreciation has been provided on slow moving items.

1.5 Inventories:

- Raw Materials & Packing Materials are valued at cost. Cost is arrived at on FIFO basis. However, as per AS-2 issued by ICAI, stock should be valued at cost or net realisable value whichever is lower. According to the management, there are no items having realisable value less than the cost.
- Materials in Process are not valued.
- Finished goods are valued at cost. Cost is arrived at considering direct material, direct labour and direct factory overheads. Finished stocks lying in the factory are valued exclusive of excise duty except the stocks lying in Duty Paid Godowns and Company's C & F distributors which are valued inclusive of excise duty.
- At present Stores, Machinery Spares are charged to revenue as and when purchased.



1.6 Retirement Benefits:

Company's contribution to Provident Fund and ESIC are charged to Profit & Loss Account. Gratuity is charged to P&L a/c on actual payment basis and not on actuarial valuation as at year end as against AS-15 "Accounting for retirement Benefits".

1.7 Borrowing Cost:

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as required by AS-16 "Borrowing Costs".

During the year, there are no borrowing cost attributable to the acquisition of qualifying assets that are required to be capitalized. Hence all borrowing cost have been charged to revenue.

1.8 Taxation:

"Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws.

Deferred tax assets are recognized only if there is a virtual certainty that they will be realized and reviewed for the appropriateness of their carrying values at each Balance Sheet date."

2. As per opinion of the company, it has carried out investigation in respect of old outstanding debtors and taken incentive steps to recover old outstanding debtors and reviving those customers by supply of goods to them. The company hope to recover old outstanding dues from old debtors and therefore after a detailed analytical review of recovering the same ,about Rs. 1336.76 Lacs dues are pending out of which Rs. 1021.96 dues are above 3 years for which provision should be made. A sum of Rs. 20 Lacs is provided as Provision for Bad debts by the company and balance will be provided in phased manner and also it plans to apply a settlement process with new incentives to recover dues. Asum of Rs. 28.28 Lacs is already written off as bad debts out of accumulated provision of Rs. 64.49 Lacs leaving balance provision of Rs. 36.21 Lacs. To this extent of unprovided amount, profit is overstated and loss in understated.
3. Cost of material is not netted by Cenvat credit. Payment of net excise debited to excised expenses.
4. In the opinion of directors, the net realizable value of current assets sold in ordinary course of business is not less than the market value.
5. Some debtors, creditors, loans & advances, bank deposits are subject to confirmation and reconciliation.
6. **Contingent Liabilities:**
There are no contingent liabilities as certified by the Directors.
7. Claims against the Company not acknowledged as debts (estimated):

| | 2017-18 | 2016-17 |
|---------------------------------|---------|---------|
| i) In respect of Labour Matters | nil | Nil |
| ii) Other Claims | nil | Nil |

8. a) The company has identified the suppliers who are covered under the Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993. The liability under the said Act on account of interest is not ascertained as at 31 March 2018. However, no claims have been received for interest from suppliers with reference to the above Act.
- b) There are no small scale industrial undertakings to whom the company owes a sum which is outstanding as per terms of contract agreed for more than 30 days as at Balance Sheet date.



9. Auditors Remuneration:

| | As at 31/03/2018 | As at 31/03/2017 |
|-----------------------|-------------------|-------------------|
| i) As audit fees | 270,000.00 | 265,000.00 |
| ii) As Tax audit fees | 100,000.00 | 82,225.00 |
| Total | 370,000.00 | 347,225.00 |

10. Remuneration to Managing Director & Jt. Managing Director - half & equal to each (exclusive of contribution to Gratuity Fund on Actual valuation).

| | As at 31/03/2018 | As at 31/03/2017 |
|--|---------------------|---------------------|
| Salaries | 6,804,000.00 | 6,804,000.00 |
| Contribution to Provident & Superannuation funds | 0.00 | 0.00 |
| | 6,804,000.00 | 6,804,000.00 |

- Remuneration paid to Managing Director and Joint Managing Director is computed as per the provisions of Section 197 of the Companies Act, 2013.
- As per the terms of appointment applicable during the year, no amount is payable to the Managing Director and Joint Managing Director as Commission.

11. Provision for Deferred Tax:

In accordance with As-22 on 'Accounting for tax on income' issued by ICAI, the net deferred tax as on 31.03.2018 is as follows :

| Particulars | As at 31/03/2018 | | As at 31/03/2017 | |
|------------------------------|---------------------|-------------|---------------------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| Depreciation | 17,34,909.00 | - | 1,614,074.00 | - |
| Deferred Revenue expenditure | | - | 0.00 | - |
| Provision for bad & doubtful | | - | 0.00 | - |
| Total | 17,34,909.00 | - | 1,614,074.00 | - |

12. Segment Reporting:

Considering the organization structure, nature of Products and risk and return profile based on geographical distribution, the agro chemicals business is considered as a single segment in accordance with AS-17 "Segment Reporting".

13. Related Party Disclosure:

- Related Parties:
 - Subsidiaries of the Company: Ocean Agro LLC
 - Other related parties: Industrial Additives
 - Key Management Personnel: Mr. Kaushik B. Parikh (MD)
Mr. Manhar D. Patel (Jt. MD)



- b) The following transactions were carried out during the year with the related parties in the ordinary course of business:

| | Other related parties | |
|--|-----------------------|----------------|
| | 2017-18 | 2016-17 |
| Transactions | | |
| Material purchased (Industrial Additives) 13,960,708.00 | | 13,454,737.00 |
| Goods Sold (Ocean Agro LLC) | 5,897,997.55 | 5,680,492.95 |
| Amount due to / from related parties | | |
| Advances due | (5,243,509.47) | (4,654,172.47) |

The remuneration of key management personnel is shown in Note no. 12.

14. Expenditure in foreign currency:

| | 2017-18 | 2016-17 |
|----------|---------|---------|
| Interest | 0.00 | 0.00 |
| Travel | 0.00 | 0.00 |
| Other | 0.00 | 0.00 |

15. Disclosure as required under clause 32 of listing agreement

- Loans and Advances in the nature of loans to Firms/Companies in which Directors are interested - Rs. Nil (Previous Year - Rs. Nil)
- Investment by the loanee in the shares of the Company as on 31 March 2018 is nil (Previous Year - nil)

16. Production, Sales and Stocks of each class of manufactured Goods / Traded Goods :

| Class of goods | Licensed / Inst. Cap. MT | Opening Stock MT | Production MT | Purchases MT | Closing Stock MT | Gross Sales MT | Sales Value (Rs. in Lacs) |
|--------------------------------|--------------------------|------------------|---------------|--------------|------------------|----------------|---------------------------|
| Plastic Division: | | | | | | | |
| Valve Type Bags | 800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Guesstetted Bags | 120.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Blow Moulding Items | 150.00 | 0.00 | 15.55 | 0.00 | 0.00 | 15.55 | 0.00 |
| Injection Moulding Items | 90.00 | 0.00 | 4.35 | 0.00 | 0.00 | 4.35 | 0.00 |
| Other Products | 600.00 | 0.00 | 3.08 | 0.00 | 0.00 | 3.08 | 0.00 |
| Trade Sales | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.50 | 1.35 |
| | | | | | | | 1.35 |
| Irrigation Division: | | | | | | | |
| Irrigation Division | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bio-Stimulants: | | | | | | | |
| Liquid | 600.00 | 174.68 | 327.60 | 0.00 | 104.12 | 398.15 | 1,018.54 |
| Solid | 1,200.00 | 122.62 | 1024.75 | 0.00 | 14.41 | 1132.95 | 337.84 |
| Bio Fertilizers | 3,600.00 | 184.49 | 1771.51 | 0.00 | 56.11 | 1899.88 | 647.31 |
| Fertilizer(modif. Fly Ashbase) | 2,500.00 | 5.95 | 0.00 | 0.00 | 5.95 | 0.00 | 0.00 |
| Other | | | | | | | |
| | | | | | | | 2003.69 |
| Grand Total | | | | | | | 2005.04 |



17. Raw Materials Consumed

| Particulars | 2017-18 | | 2016-17 | |
|------------------|------------|-----------------------|------------|----------------------|
| | Qty. MT | Value Rs. | Qty. MT | Value Rs. |
| Granules | 1,872.96 | 26,41,646.13 | 2,196.95 | 30,79,783.33 |
| Neem Oil | 3.58 | 4,11,700.00 | 4.58 | 5,53,035.00 |
| Ferrous Sulphate | 65.13 | 3,77,754.00 | 100.21 | 6,41,819.43 |
| D-oil Cake | 122.27 | 5,80,782.50 | 132.76 | 6,39,836.82 |
| Others | | 2,96,54,860.66 | | 37,448,482.03 |
| Total | | 3,36,66,743.29 | | 42,362,956.61 |
| | | | | |

18. Value of Imported / Indigenous Raw Materials/Stores and spares consumed

| Particulars | 2017-18 | | 2016-17 | |
|--------------------------|-------------|-----------------------|-------------|----------------------|
| | % | Value (Rs.) | % | Value (Rs.) |
| Raw Materials | | | | |
| Imported Nil | | Nil | 0.00 | |
| Indigenous | 100% | 3,36,66,743.29 | 100% | 42,362,956.61 |
| | 100% | 3,36,66,743.29 | 100% | 42,362,956.61 |
| Stores and Spares | | | | |
| Imported Nil | | Nil | 0.00 | |
| Indigenous | 100% | 1,04,929.45 | 100% | 81,446.00 |
| | 100% | 1,04,929.45 | 100% | 81,446.00 |
| | | | | |



19. Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

| | | | |
|--------------------|-----------------|------------|----|
| Registration No. | 13922 | State Code | 04 |
| Balance Sheet Date | 31st March 2018 | | |

II. Capital raised during the year

(Amount Rs. Thousands)

| | | | |
|--------------|-----|-------------------|-----|
| Public Issue | NIL | Rights Issue | NIL |
| Bonus Issue | NIL | Private Placement | NIL |

III. Position of Mobilisation and Deployment of Funds

| | | | |
|-------------------|----------------|------------------------|----------------|
| Total Liabilities | 302,501,483.61 | Total Assets | 302,501,483.61 |
| Source of Funds | | | |
| Paid up Capital | 75,871,545.00 | Reserves and Surplus | 167,514,852.09 |
| Secured Loans | 1,239,448.38 | Unsecured Loans | 5,892,619.73 |
| | | Deferred Tax Liability | 0.00 |

Application of Funds

| | | | |
|--------------------|-----------------|-------------------|---------------|
| Net Fixed Assets | 53,807,793.05 | Investments | 60,084,453.00 |
| Net Current Assets | 1,26,089,439.53 | Misc. Expenditure | 0.00 |
| Accumulated Losses | NIL | Loans & Advances | 10,536,779.64 |

IV. Performance of Company

| | | | |
|----------------------------|-----------------|---------------------------|----------------|
| Turnover | 2,00,504,189.05 | Total Expenditure | 194,557,581.45 |
| Profit / (loss) before Tax | 3,785,737.97 | Profit / (Loss) after Tax | 2,035,606.97 |
| Earning per Share Rs. | 0.30 | Dividend % | 0% |

V. Generic Name of Principal Product of Company

(As per monetary terms)

| | | |
|---------------------|---------|-------------------------|
| Item Code No. | 3921900 | Bags |
| (ITC Code) | --- | |
| Product Description | 380830 | Plant Growth Regulators |
| | 380890 | Others |

As per our Report of even date
Kishor Sheth & Co.
Chartered Accountants

For Ocean Agro (India) limited

CA. Kishor Sheth & Co.
M. No. 14603

K.B. Parikh
Managing Director

M.D. Patel
Jt. Managing Director

Place : Mumbai
Date : 30th May 2018

Place : Vadodara
Date : 30th May 2018



CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31st March 2018

A. Cash Flow from Operating Activities :

Net Profit before Tax & extra ordinary items 20,35,607.00

Adjustments for :

| | | |
|---------------------------------------|--------------|---------------|
| Depreciation | 3,516,974.00 | |
| Provision for Direct Tax | 1,750,000.00 | |
| Deferred Revenue Expenses written-off | 0.00 | |
| Interest Income | 0.00 | |
| Decrease in reserve | 0.00 | |
| Losses on Sales of Fixed Assets | 0.00 | |
| Interest charged | 5,041,210.00 | 103,08,184.00 |

Operating Profit before working capital changes **123,43,791.00**

| | | |
|---------------------------|----------------|----------------|
| Trade & Other receivables | (4,486,760.00) | |
| Inventories | 2,053,328.00 | |
| Trade Payable | (2,784,335.00) | (5,217,766.00) |

Cash generated from operations **7,126,025.00**

| | | |
|---------------------------------------|----------------|----------------|
| Interest paid | 0.00 | |
| Direct Taxes paid | (1,750,000.00) | (1,750,000.00) |
| Cash Flow before Extra Ordinary Items | | 5,376,025.00 |
| Extra Ordinary Items | 0.00 | 0.00 |

Net Cash from Operating Activities A 5,376,025.00

B. Cash Flow from Investing Activities

| | | |
|--------------------------|----------------|--|
| Purchase of Fixed Assets | (5,138,247.00) | |
| Sale of Fixed Assets | 0.00 | |
| Interest received | 0.00 | |
| Misc. Expenditure | 0.00 | |
| Investments | 0.00 | |

Net Cash used in Investing Activities B (5,138,247.00)

C. Cash Flow from Financing Activities

| | | |
|--------------------------------------|----------------|--|
| Proceeds from issue of Share Capital | 0.00 | |
| Proceeds from Borrowing | 0.00 | |
| Repayment of Loan | 2,888,581.00 | |
| Interest Paid | (5,041,210.00) | |
| Dividend Paid | 0.00 | |

Net Cash used in Financing Activities C (2,152,629.00)

NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C) (1,914,851.00)

Cash & Cash Equivalents Opening Balances 6,022,654.00

Cash & Cash Equivalents Closing Balances 4,107,803.00

Place : Vadodara
Date : 30th May 2018

For Ocean Agro (India) limited
K.B. Parikh M.D. Patel
Managing Director Jt. Managing Director

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Ocean Agro (India) Limited derived from Audited Annual Financial Statements for the year ended 31 March 2018 and found the same to be drawn in accordance therewith and also with the requirements of clause 32 of the listing agreement with Stock Exchanges.

For Kishor Sheth & Co.
Chartered Accountants

Place : Mumbai
Date : 30th May 2018

CA. Kishor Sheth & Co.
M. No. 14603



INDEPENDENT AUDITORS' REPORT

To,
The Members of
OCEAN AGRO (INDIA) LIMITED

1. We have audited the accompanying consolidated financial statements of Ocean Agro (India) Limited ('the Company') and subsidiary, which comprise the consolidated balance sheet as at 31 March 2018, the consolidated statement of profit and loss and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.
2. **Management's Responsibility for the Consolidated Financial Statements.**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

3. **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 provision of act and rules made thereunder. We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the holding Company's preparation of the consolidated financial statement that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statement.



4. Qualified Opinion

1. As per opinion of the company, it has carried out investigation in respect of old outstanding debtors and taken incentive steps to recover old outstanding debtors and reviving those customers by supply of goods to them. The company hope to recover old outstanding dues from old debtors and therefore after a detailed analytical review of recovering the same, about Rs. 1361.24 Lacs dues are pending out of which Rs.1021.96 dues are above 3 years for which provision should be made. A sum of Rs. 20 Lacs is provided as Provision for Bad debts by the company and balance will be provided in phased manner and also it plans to apply a settlement process with new incentives to recover dues. A sum of Rs.28.28 Lacs is already written off as bad debts out of accumulated provision of Rs.64.49 Lacs leaving balance provision of Rs.36.21 Lacs. To this extent of unprovided amount, profit is overstated and loss is understated.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Qualified opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India as at 31 March 2018 and its consolidated changes in equity for the year then ended;

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at 31 March 2018 ;
 - (ii) in the case of the consolidated statement of profit and loss, of the loss for the year ended on that date; and
 - (iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.
2. The Company has not followed Indian Accounting standards properly as applicable from April 1, 2017. The Company assures to comply the same from coming years.

5. Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statement;
 - b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept by the Company so far as appears from our examination of those books;
 - c. The consolidated balance sheet, consolidated statement of profit and loss, consolidated cash flow statement and consolidated statement of charges in equity dealt with by this Report are in agreement with the books of account maintain for the purpose of preparation of the consolidated statement;
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rules issued thereunder;
 - e. On the basis of the written representations received from the directors of the Holding company as on 31st March 2018 taken on record by the Board of Directors of Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated outside of india, none of the directors of Group companies is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;



- f. With respect to adequacy of the internal financial control over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and
- 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 Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii) The Company is not required to transfer amount to investor education and protection fund.

For **Kishor Sheth & Co.**
Chartered Accountants

CA. Kishor Sheth & Co.
Partner
M. No. 14603

Place : Mumbai
Date : 30th May, 2018



ANNEXURE - A TO THE AUDITORS' REPORT

1. **Report on the Internal Financial Control under Clause (i) of Sub-section 3 of Section 143 of Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statement of the Company as of and for the year ended 31 March 2018, we have audited the internal financial control over financial reporting of Ocean Agro (India) Limited (“the Holding Company”) and its subsidiary companies which are companies incorporated outside India, as of that date.

2. **Management’s Responsibility for the Financial Statements**

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

3. **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI 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 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.

4. **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 purpose in accordance with generally accepted accounting principles. A



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

5. 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.

6. Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Kishor Sheth & Co.**
Chartered Accountants

CA. Kishor Sheth & Co.
Partner
M. No. 14603

Place : Mumbai
Date : 30th May, 2018



BALANCE SHEET AS AT (CONSOLIDATED) 31st March 2018

| Particulars | Notes No. | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|--|--------------|-------------------------------|-------------------------------|
| I EQUITY AND LIABILITIES | | | |
| 1 Shareholder's Funds | | | |
| (a) Share Capital | 1 | 7,58,71,545.00 | 75,871,545.00 |
| (b) Reserve & Surplus | 2 | 10,45,31,548.04 | 106,583,296.98 |
| (c) Money received against share warrants | | 0.00 | 0.00 |
| | | 18,04,03,093.04 | 182,454,841.98 |
| 2 Share application money pending allotment | | 0.00 | 0.00 |
| 3 Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | 12,39,448.38 | 841,211.95 |
| (b) Deferred tax liabilities (Net) | | 0.00 | 0.00 |
| (c) Other Long term liabilities | 4 | 58,92,619.73 | 6,281,619.73 |
| (d) Long term provisions | | 0.00 | 0.00 |
| | | 71,32,068.11 | 7,122,831.68 |
| 4 Current Liabilities | | | |
| (a) Short-term borrowings | 5 | 3,75,93,980.18 | 34,714,635.64 |
| (b) Trade payables | 6 | 1,08,43,113.73 | 11,406,237.60 |
| (c) Other current liabilities | 7 | 82,33,957.95 | 10,593,983.30 |
| (d) Short-term Provision | 8 | 69,64,992.70 | 8,585,022.70 |
| | | 6,36,36,044.56 | 65,299,879.24 |
| Total | | 25,11,71,205.71 | 254,877,552.90 |
| II Assets | | | |
| Non-Current assets | | | |
| 1 (a) Fixed Assets : | | | |
| (i) Tangible assets | 9 | 5,38,07,793.04 | 52,186,520.52 |
| (ii) Intangible assets | 10 | 0.00 | 0.00 |
| (iii) Capital work-in-progress | | 0.00 | 0.00 |
| (iv) Intangible assets under development | | 0.00 | 0.00 |
| | | 5,38,07,793.04 | 52,186,520.52 |
| (b) Non-Current Investments in fully owned Ocean Agro LLC | 11 | 0.00 | 0.00 |
| (c) Deferred Tax assets (Net) | 12 | 0.00 | 0.00 |
| (d) Long-term loans and advances | 13 | 1,05,36,779.64 | 10,324,563.50 |
| (e) Other Non-Current assets | | 0.00 | 0.00 |
| 2 Current assets | | | |
| (a) Current Investments | | 0.00 | 0.00 |
| (a) Inventories | 14 | 4,62,95,900.28 | 48,703,750.04 |
| (b) Trade receivables | 15 | 13,61,24,487.35 | 135,978,065.98 |
| (c) Cash & Cash equivalents | 16 | 4,369,773.41 | 7,642,778.86 |
| (d) Short term loans and advances | | 0.00 | 0.00 |
| (f) Other current assets | 17 | 36,472.00 | 41,874.00 |
| | | 18,68,26,633.05 | 192,366,468.88 |
| Total | | 25,11,71,205.71 | 254,877,552.90 |

As per our Report of even date
Kishor Sheth & Co.
Chartered Accountants

For Ocean Agro (India) limited

CA. Kishor Sheth & Co.
Partner
M. No. 14603
Place : Mumbai
Date : 30th May 2018

K.B. Parikh
Managing Director

M.D. Patel
Jt. Managing Director

Place : Vadodara
Date : 30th May 2018



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2018

| Particulars | | Notes No. | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|--------------|---|-----------|-------------------------------|-------------------------------|
| I | Revenue from operations | 18 | 210,421,312.35 | 238,373,377.89 |
| II | Other Income | 19 | (1,60,869.63) | 71,499.61 |
| III | Total Revenue (I + II) | | 210,260,442.72 | 238,444,877.51 |
| IV | Expenses : | | | |
| | Cost of Material Consumed | 20 | 4,36,84,441.70 | 55,329,759.10 |
| | Purchase of stock-in-Trade | | 0.00 | 0.00 |
| | Changes in inventories of finished goods work-in-progress and stock trade | 21 | (5,90,758.03) | (6,976,722.34) |
| | Employee benefits expense | 22 | 2,90,52,715.33 | 26,472,832.80 |
| | | | 72,146,398.99 | 74,825,869.56 |
| V | Finance costs | 23 | 51,06,200.46 | 5,181,324.67 |
| VI | Depreciation and amortization expense | 24 | 35,16,973.70 | 3,151,503.69 |
| VII | Other Expense | 25 | 12,75,21,507.83 | 146,897,907.56 |
| | Total Expense | | 20,829,108.99 | 230,056,605.47 |
| VIII | Profit before exceptional and extraordinary items and tax (III - VII) | | 19,69,361.73 | 8,388,272.03 |
| IX | Exceptional Items | 26 | 2,000,000.00 | 8,000,000.00 |
| X | Profit before extraordinary items and tax (VIII - IX) | | (30,638.27) | 388,272.03 |
| XI | Extraordinary Items | | 0.00 | 0.00 |
| XII | Profit before Tax (X - XI) | | (30,638.27) | 3,88,272.03 |
| XIII | Tax expense: | | | |
| | (1) Current Tax | | 17,50,000.00 | 2,400,000.00 |
| | (2) Deferred Tax | | 0.00 | 0.00 |
| | | | 17,50,000.00 | 2,400,000.00 |
| XIV | Profit (Loss) for the period from continuing operations (XII - XIII) | | (1,780,638.27) | (2,011,727.97) |
| XV | Profit/(Loss) from discontinuing operations | | 0.00 | 0.00 |
| XVI | Tax Expense of discontinuing operations | | (131.00) | 0.00 |
| XVII | Profit/(Loss) from discontinuing operations (after tax) (XV - XVI) | | (131.00) | 0.00 |
| XVIII | Profit (Loss) for the period (XIV+ XVII) | | (1,780,769.27) | (2,011,727.97) |
| XVIII | Earnings per equity share : | | | |
| | (1) Basic | | 0.00 | 0.00 |
| | (2) Diluted | | 0.00 | 0.00 |

As per our Report of even date
Kishor Sheth & Co.
Chartered Accountants

For Ocean Agro (India) limited

CA. Kishor Sheth & Co.
Partner
M. No. 14603
Place : Mumbai
Date : 30th May 2018

K.B. Parikh
Managing Director

M.D. Patel
Jt. Managing Director

Place : Vadodara
Date : 30th May 2018



Note 1 : Share Capital

| Particulars | As at 31/03/2018 | As at 31/03/2017 |
|---|-----------------------|-----------------------|
| | Rupees | Rupees |
| AUTHORISED : | | |
| 2,99,70,000 Equity Shares of Rs. 10/- each | 299,700,000.00 | 299,700,000.00 |
| 30,000 Non-cumulative 10% Redeemable Preference Shares of Rs. 10/- each | 300,000.00 | 300,000.00 |
| | 300,000,000.00 | 300,000,000.00 |
| ISSUED, SUBSCRIBED AND PAID UP : | | |
| ISSUED & SUBSCRIBED : | | |
| 84,37,900 Equity Shares of Rs.10/- each | 84,379,000.00 | 84,379,000.00 |
| | 84,379,000.00 | 84,379,000.00 |
| PAID UP SHARE CAPITAL : | | |
| 67,44,900 Equity Shares of Rs.10/- each Fully paid up | 67,449,000.00 | 67,449,000.00 |
| Paid-up amount on Shares Forfeited | 8,384,500.00 | 8,384,500.00 |
| Excess Paid-up amount on Forfeited Shares | 38,045.00 | 38,045.00 |
| | 75,871,545.00 | 75,871,545.00 |

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Note 1 : (a) Details of Share holders holding more than 5% Share in the Company

| Name of Shareholders | As at 31/03/2018 | | As at 31/03/2017 | |
|--|-------------------|--------------|-------------------|--------------|
| | No of Shares held | % of holding | No of Shares held | % of holding |
| Kaushik Babubhai Parikh | 2,983,826.00 | 44.24 | 2,983,826.00 | 44.24 |
| Om Pesticides (Nandesari) Pvt. Ltd. | 544,285.00 | 8.07 | 544,285.00 | 8.07 |
| Associated Manufacutring (Rania) Pvt. Ltd. | 94,070.00 | 1.39 | 94,070.00 | 1.39 |
| Ushaben K. Parikh | 345,042.00 | 5.12 | 345,042.00 | 5.12 |



Note 2 : RESERVE & SURPLUS

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|--|-------------------------------|-------------------------------|
| CAPITAL RESERVE | 0.00 | 0.00 |
| CAPITAL REDUMPTION RESERVE | (6,29,83,304.05) | (58,895,948.14) |
| Add : Profit/(Loss) during the Year | (6,29,83,304.05) | (58,895,948.14) |
| SECURITIES PREMIUM ACCOUNT | | |
| Share Premium on Shares | 148,487,534.00 | 148,487,534.00 |
| Share Premium on Forfeited Shares | 0.00 | 0.00 |
| Excess Premium received on Shares | 0.00 | 0.00 |
| | 148,487,534.00 | 148,487,534.00 |
| GENERAL RESERVE : | | |
| Opening Balance | 11,909,474.91 | 11,903,474.91 |
| Additions during the Year | 0.00 | 0.00 |
| | 11,903,474.91 | 11,903,474.91 |
| SURPLUS/(DEFICIT) IN THE STATEMENT OF PROFIT AND LOSS | | |
| Balance as per last financial statements | 50,88,236.22 | 183,540.80 |
| Profit for the year | 20,35,606.97 | 4,904,695.41 |
| NET SURPLUS IN THE STATEMENT OF PROFIT AND LOSS | 71,23,843.19 | 5,088,236.22 |
| TOTAL RESERVE AND SURPLUS | 10,45,31,548.04 | 106,583,296.98 |

Note 3 : Long term borrowing

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|----------------------------------|-------------------------------|-------------------------------|
| Secured Loan | | |
| Loan against FDR / H.D.F.C / BOB | 12,39,448.38 | 841,211.95 |
| Loans & Advances Received | 0.00 | 0.00 |
| | 12,39,448.38 | 841,211.95 |

Loan from Bank of Baroda against vehicle, repayable starting from Aug-2016 for 36 month.

Note 4 : Other Long Term Liabilities

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|-------------------|-------------------------------|-------------------------------|
| Dealers' Deposits | 58,92,619.73 | 6,281,619.73 |
| | 58,92,619.73 | 6,281,619.73 |



Note 5 : Short-Term Borrowings

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|------------------------------------|-------------------------------|-------------------------------|
| Bank of Baroda Cash Credit Account | 3,75,93,980.18 | 34,714,635.64 |
| | 3,75,93,980.18 | 34,714,635.64 |

Cash Credit from Bank of Baroda carry interest @11.50% to 12.05% p.a. The C.C. is secured against charge of inventory book debt advances plot of lease hold land. Further the loan has been granted by the personal guarantee of director Kaushik Babubhai Parikh, Manhar Dayalji bhai Patel.

Note 6 : Trade Payable

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|----------------------------|-------------------------------|-------------------------------|
| CURRENT LIABILITIES | | |
| Creditors for Goods | 98,56,850.52 | 10,797,058.98 |
| Creditors for Expenses | 9,86,263.21 | 609,178.62 |
| | 1,08,43,113.73 | 11,406,237.60 |

Note 7 : Other Current Liabilities

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|------------------------|-------------------------------|-------------------------------|
| Other Payable : | | |
| Statutory due | 1,08,187.42 | 1,906,152.06 |
| Other | 81,25,770.53 | 8,687,831.24 |
| | 82,33,957.95 | 10,593,983.30 |

Note 8 : Short term Provision

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|------------------------------|-------------------------------|-------------------------------|
| PROVISIONS : | | |
| Provision for doubtful debts | 36,21,234.20 | 4,449,735.20 |
| Other Provisions | 15,93,758.50 | 1,735,287.50 |
| Provision for Income-tax | 17,50,000.00 | 2,400,000.00 |
| | 69,64,992.70 | 8,585,022.70 |



Note 9 : Tangible Assets

| Particulars | As at 31/03/2018 | | As at 31/03/2017 | |
|-------------------------------------|------------------------|--|-----------------------|--|
| | Rupees | | Rupees | |
| Opening balance | 21,80,49,818.69 | | 213,250,457.69 | |
| Add : Additions during the Period | 51,38,246.58 | | 5,285,881.00 | |
| Less : Deductions during the period | 0.00 | | 486,520.00 | |
| Gross Block | 22,31,88,065.27 | | 218,049,818.69 | |
| Depreciation upto prv. year | 16,58,63,298.53 | | 163,198,314.48 | |
| Less : Deductions Written back | 0.00 | | 486,520.00 | |
| Add : Depreciation for the Period | 35,16,973.70 | | 3,151,503.69 | |
| | 16,93,80,272.23 | | 165,863,298.17 | |
| Net Block | 5,38,07,793.04 | | 52,186,520.52 | |

Note 9 : Tangible Assets

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------|------------------------------|-------------------------------|------------------------|------------------------------|---------------------------|--------------------------|------------------------|------------------------------|------------------------------|
| | Op. Balance as on 31/03/2017 | Adtn./(Dedn.) during the Year | Total as on 31/03/2018 | Op. Balance as on 31/03/2017 | Ddn/Adjst during the year | Provided during the year | Total as on 31/03/2018 | Cl. Balance as on 31/03/2018 | Cl. Balance as on 31/03/2017 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Leasehold Land | 6,741,913.00 | 0.00 | 67,41,913.00 | 0.00 | 0.00 | 0.00 | 0.00 | 67,41,913.00 | 6,741,913.00 |
| Buildings | 39,835,181.51 | 9,34,516.48 | 4,07,69,697.99 | 26,952,143.36 | 0.00 | 13,39,999.48 | 2,82,92,142.84 | 1,24,77,555.15 | 12,883,038.15 |
| Plant & Machinery | 146,250,968.31 | 19,19,349.25 | 14,81,70,317.56 | 118,802,918.83 | 0.00 | 12,19,016.90 | 12,00,21,935.73 | 2,81,48,381.83 | 27,448,049.48 |
| Furniture & Fixtures | 4,583,982.29 | 0.00 | 45,83,982.29 | 4,580,552.57 | 0.00 | 0.00 | 45,80,552.57 | 3,429.72 | 3429.72 |
| Vehicles | 10,907,774.36 | 11,00,000.00 | 1,20,07,774.36 | 8,213,233.29 | 0.00 | 5,82,987.81 | 87,96,221.10 | 32,11,553.26 | 2,694,541.07 |
| Office Equipment | 2,963,748.24 | 99,575.18 | 30,63,323.42 | 2,579,830.43 | 0.00 | 1,18,368.44 | 26,98,198.86 | 3,65,124.55 | 383,917.81 |
| Eqp. under Testing | 1,158,200.00 | 0.00 | 11,58,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 11,58,200.00 | 1,158,200.00 |
| Computer Software | 5,608,050.98 | 10,84,805.67 | 66,92,856.65 | 4,734,620.05 | 0.00 | 2,56,601.07 | 49,91,221.12 | 17,01,635.53 | 873,430.93 |
| TOTAL | 218,049,818.69 | 51,38,246.58 | 22,31,88,065.27 | 165,863,298.53 | 0.00 | 35,16,973.70 | 16,93,80,272.22 | 5,38,07,793.04 | 52,186,520.17 |
| Previous Year's Total | 213,250,457.69 | 4,799,361.00 | 218,049,818.69 | 163,198,314.84 | 486,520.00 | 3,151,503.69 | 165,863,298.52 | 52,186,520.17 | |

Note 11 : Non Current Investments

| Particulars | As at 31/03/2018 | | As at 31/03/2017 | |
|---|---------------------|-------------|---------------------|--|
| | Rupees | | Rupees | |
| Trade Investment | | | | |
| Investment in Subsidiary fully owned Ocean Agro LLC | 0.00 | | 0.00 | |
| | | 0.00 | 0.00 | |

Company has established with name ' OCEAN AGRO LLC ' 100% fully owned subsidiary company. Company has transferred US \$9,36,000.



Note 12 : Deferred Tax assets (Net)

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---|---------------------|-------------|---------------------|
| | Rupees | Rupees | Rupees |
| Deferred Tax Liabilities | | | |
| Provision for doubtful debts and advances | 0.00 | | 0.00 |
| Other Provision | 0.00 | | 0.00 |
| | | 0.00 | 0.00 |

Note 13 : Long-term Loans and Advances

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---|---------------------|-----------------------|----------------------|
| | Rupees | Rupees | Rupees |
| Capital advances | | | |
| Secured, Considered Good | 0.00 | | 0.00 |
| Unsecured, Considered Good | 0.00 | | 0.00 |
| Total : A | | 0.00 | 0.00 |
| Security deposit | | | |
| Secured, Considered Good | 0.00 | | 0.00 |
| Unsecured, Considered Good | 19,07,859.27 | | 1,879,464.27 |
| Provision for doubtful security deposit | 0.00 | | 0.00 |
| Total : B | | 19,07,859.27 | 1,879,464.27 |
| Loan and advances to related parties | | | |
| Unsecured, Considered Good | 0.00 | | 0.00 |
| Total : C | | 0.00 | 0.00 |
| Advances recoverable in cash or kind | | | |
| Secured, Considered Good | 0.00 | | 0.00 |
| Unsecured, Considered Good | 86,28,920.37 | | 8,445,099.23 |
| Provision for doubtful advances | 0.00 | | 0.00 |
| Total : D | | 86,28,920.37 | 8,445,099.23 |
| Other loans and advances | | | |
| Advance income-tax (net of provision for taxation) | 0.00 | | 0.00 |
| Prepaid expenses | 0.00 | | 0.00 |
| Loans to employees | 0.00 | | 0.00 |
| Balances with statutory/government authorities | 0.00 | | 0.00 |
| Total : E | | 0.00 | 0.00 |
| | | 1,05,36,779.64 | 10,324,563.50 |

Note 14 : Inventories

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---|---------------------|----------------------|----------------------|
| | Rupees | Rupees | Rupees |
| INVENTORY : | | | |
| (as taken, valued &certified by the management) | | | |
| Closing Stock of Finished Goods (at cost) | 33,859,777.28 | | 35,713,296.04 |
| Closing Stock of Raw Material (at cost) | 59,07,583.00 | | 5,280,586.00 |
| Closing Stock of Packing Material (at cost) | 65,28,540.00 | | 7,709,868.00 |
| | | 46,295,900.28 | 48,703,750.04 |



Note 15 : Trade receivables and other assets

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---|---------------------|-----------------------|-----------------------|
| | Rupees | Rupees | Rupees |
| Outstanding for a period exceeding six months from the date they are due for payment | | | |
| Secured, Considered Good | 106,429,089.35 | | 107,973,224.98 |
| Unsecured, Considered Good | 0.00 | | 0.00 |
| Doubtful | 0.00 | | 0.00 |
| | | 106,429,089.35 | 107,973,224.98 |
| Less : Provision for doubtful receivable | 0.00 | | 0.00 |
| | | 106,429,089.35 | 107,973,224.98 |
| Other Receivable | | | |
| Secured, Considered Good | 0.00 | | 0.00 |
| Unsecured, Considered Good | 2,96,95,398.00 | | 28,004,841.00 |
| Doubtful | 0.00 | | 0.00 |
| | | 2,96,95,398.00 | 28,004,841.00 |
| Less : Provision for doubtful receivable | 0.00 | 0.00 | 0.00 |
| | | 2,96,95,398.00 | 28,004,841.00 |
| | | 136,124,487.35 | 135,978,065.98 |

Note 16 : Cash & Cash equivalents

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|--|---------------------|---------------------|---------------------|
| | Rupees | Rupees | Rupees |
| CASH & BANK BALANCES : | | | |
| On Current accounts | 3,790,788.90 | | 7,016,196.36 |
| Deposit with original maturity of less than 3 months | 0.00 | | 0.00 |
| Cash on Hand | 578,984.51 | | 626,582.50 |
| | | 4,369,773.41 | 7,642,778.86 |

Note 17 : Other Assets

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|------------------------------------|---------------------|------------------|---------------------|
| | Rupees | Rupees | Rupees |
| Interest accrued on fixed deposits | 0.00 | | 0.00 |
| Interest accrued on Investment | 0.00 | | 0.00 |
| Others | 36,472.00 | | 41,874.00 |
| | | 36,472.00 | 41,874.00 |



Note 18 : Revenue from Operations

| Particulars | As at 31/03/2018 | As at 31/03/2017 |
|---------------------------------------|-----------------------|-----------------------|
| | Rupees | Rupees |
| Revenue from operation | | |
| Sales of Products | | |
| Finished Goods | 0.00 | 0.00 |
| Trade Goods | | |
| Domestic Sales | 210,421,312.35 | 239,760,267.56 |
| Export Sales | 0.00 | (1,386,889.67) |
| Revenue from operation (Gross) | 210,421,312.35 | 238,373,377.89 |
| Less : Excise Duty | 0.00 | 0.00 |
| Revenue from operation (Net) | 210,421,312.35 | 238,373,377.89 |

Note 19 : Other Income

| Particulars | As at 31/03/2018 | As at 31/03/2017 |
|-----------------------------------|----------------------|---------------------|
| | Rupees | Rupees |
| Interest Income on | | |
| Bank deposits | 0.00 | 0.00 |
| Long-term Investments | 0.00 | 0.00 |
| Current Investment | 0.00 | 0.00 |
| Dividend income on | 0.00 | 0.00 |
| Other non-operating income | | |
| Income from Sale of Assets | 0.00 | 75,419.00 |
| Misc. Income | (1,60,869.63) | (3,919.39) |
| | (1,60,869.63) | 71,499.61 |

Note 20 : Cost of Material Consumed

| Particulars | As at 31/03/2018 | As at 31/03/2017 |
|-------------------------------|-----------------------|----------------------|
| | Rupees | Rupees |
| RAW MATERIAL : | | |
| Opening Stock | 52,80,586.00 | 5,619,288.00 |
| Add : Purchases | 3,42,93,740.29 | 42,024,254.61 |
| Add : Purchase Tax | 0.00 | 0.00 |
| | <u>3,95,74,326.29</u> | <u>47,643,542.61</u> |
| Less : Closing Stock | 59,07,583.00 | 5,280,586.00 |
| | 3,36,66,743.29 | 42,362,956.61 |
| PACKING MATERIALS : | | |
| Opening Stock | 76,66,795.00 | 7,124,938.00 |
| Add : Purchases | 85,50,046.25 | 13,255,314.49 |
| | <u>1,62,16,841.25</u> | <u>20,380,252.49</u> |
| Less : Closing Stock | 64,99,203.00 | 7,666,795.00 |
| | 97,17,638.25 | 12,713,457.49 |
| PRINTING INK : | | |
| Opening Stock | 43,073.00 | 21,444.00 |
| Add : Purchases | 2,86,324.16 | 274,974.00 |
| | <u>3,29,397.16</u> | <u>296,418.00</u> |
| Less : Closing Stock | 29,337.00 | 43,073.00 |
| | 3,00,060.16 | 253,345.00 |
| Add : FINISHED GOODS : | 0.00 | 0.00 |
| | 4,36,84,441.70 | 55,329,759.10 |



Note 21 : Changes in Inventories of Finished Goods Work-In-Progress and Stock Trade

| Particulars | As at 31/03/2018 | As at 31/03/2017 |
|---|---------------------|-----------------------|
| | Rupees | Rupees |
| Inventories at the end of the year | | |
| Traded goods | 0.00 | 0.00 |
| Work in progress | 0.00 | 0.00 |
| Finished Goods | 33,516,226.99 | 27,261,684.00 |
| Inventories at the beginning of the year | | |
| Traded goods | 0.00 | 0.00 |
| Work in progress | 0.00 | 0.00 |
| Finished Goods | 32,925,468.95 | 20,284,961.66 |
| | (590,758.03) | (6,976,722.34) |

Note 22 : Employee benefit expenses

| Particulars | As at 31/03/2018 | As at 31/03/2017 |
|------------------------------------|----------------------|----------------------|
| | Rupees | Rupees |
| Salaries | 9,835,228.68 | 8,080,526.80 |
| Wages Paid | 3,495,742.00 | 3,386,394.00 |
| Directors' Remuneration | 5,994,000.00 | 5,994,000.00 |
| Administrative Charges to E.P.F. | 111,692.00 | 100,505.00 |
| Company's Contribution to E.S.I.C. | 307,530.00 | 241,667.00 |
| Company's Contribution to E.D.L.I. | 56,270.00 | 53,062.00 |
| Company's Contribution to E.P.F. | 327,194.00 | 248,564.00 |
| Company's Contribution to F.P.F. | 401,963.00 | 421,656.00 |
| Company's Contribution to LWF | 0.00 | 0.00 |
| Conveyance Allowance | 633,507.00 | 396,727.00 |
| Medical Reimbursement | 134,944.00 | 75,261.00 |
| Rent Allowance | 311,208.00 | 214,912.00 |
| Employees Welfare Fund | 1,009,063.65 | 872,845.00 |
| Incentive to Staff | 1,864,691.00 | 2,096,240.00 |
| Incentive to Workers | 1,532,579.00 | 1,221,581.00 |
| Stipend Paid | 168,038.00 | 157,510.00 |
| Bonus | 2,023,623.00 | 2,160,359.00 |
| Ex gratia | 359,393.00 | 438,740.00 |
| Gratuity | 336,424.00 | 242,181.00 |
| Leave Encashment | 149,625.00 | 70,102.00 |
| | 29,052,715.33 | 26,472,832.80 |



Note 23 : Finance Cost

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---------------------|---------------------|---------------------|---------------------|
| | Rupees | Rupees | Rupees |
| Bank Interest | 4,602,131.71 | | 4,539,368.14 |
| Bank Charges | 319,977.75 | | 462,644.53 |
| Interest to Others | 184,091.00 | | 179,311.99 |
| Exchange difference | | | 0.00 |
| | | 5,106,200.46 | 5,181,324.67 |

Note 24 : Depreciation and Amortization Expense

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|---|---------------------|---------------------|---------------------|
| | Rupees | Rupees | Rupees |
| Depreciation of tangible assets | 35,16,973.70 | | 3,151,503.69 |
| Amortization of intangible assets | 0.00 | | 0.00 |
| Depreciation of Investment property | 0.00 | | 0.00 |
| Less : recoupment for revaluation reserve | 0.00 | | 0.00 |
| | | 35,16,973.70 | 3,151,503.69 |

Note 25 :Other Expense

| Particulars | As at 31/03/2018 | | As at 31/03/2017 |
|-------------------------------|---------------------|--------|---------------------|
| | Rupees | Rupees | Rupees |
| Consultation Charges | 3,946,484.32 | | 3,721,966.45 |
| Consultation Charges – Excise | 0.00 | | 2000.00 |
| Consumable Stores | 785,251.14 | | 645,537.00 |
| Conveyance Expense | 118,267.00 | | 138,548.00 |
| Design / Art work | 9,046.42 | | 18,640.00 |
| Donation | 3,900.00 | | 1,501.00 |
| Electricity | 2,414,768.00 | | 2,818,627.00 |
| Excise Paid | 28,030,62.00 | | 12,317,076.00 |
| FBT Expenses | 0.00 | | 0.00 |
| Food & Beverages | 118,150.08 | | 292,468.00 |
| Freight | 58,193,17.30 | | 7,477,400.00 |
| General Expenses | 32,753.69 | | 59,357.02 |
| Hardware & Electricals | 431,924.79 | | 586,082.00 |
| Insurance | 545,614.76 | | 398,546.99 |
| Internet charges | 166,347.42 | | 471,294.39 |
| Laboratory Expenses | 166,701.45 | | 194,839.98 |
| Labour Charges | 275,205.00 | | 429,258.00 |
| Legal Charges | 107,970.00 | | 480,725.00 |
| Liaison Expenses | 215,600.00 | | 341,500.00 |
| Licence Fees | 0.00 | | 120,178.50 |
| Medical Expense | 224,392.00 | | 156,849.00 |
| Weighing Charges | 24,250.00 | | 27,900.00 |

Cont.. (P.T.O.)



Note 25 :Other Expense (Contd.....)

| Particulars | As at 31/03/2018 | As at 31/03/2017 |
|---------------------------------------|-----------------------|-----------------------|
| | Rupees | Rupees |
| Office Expenses | 1,900,222.46 | 1,467,236.06 |
| Processing Expenses | 0.00 | 0.00 |
| Rates & Taxes | 4,560,194.72 | 5,389,177.64 |
| Rent Expenses | 203,321.33 | 332,952.00 |
| Repairs & Maint. to Plant & Machinery | 620,275.28 | 1,096,909.00 |
| Repairs to Building | 1,179,378.80 | 853,923.00 |
| Repairs to Others | 250,149.90 | 457,285.00 |
| Sales Tax Paid | 17,577.00 | 18,347.00 |
| Repairs to Cars | 165,708.88 | 202,546.00 |
| Repairs to Vehicle | 7,570.00 | 5,380.00 |
| Service Tax | 154,164.00 | 650,827.00 |
| Stationary & Printing | 398,458.81 | 546,488.83 |
| Stores & Spares | 104,929.45 | 81,446.00 |
| Subscription and Periodicals | 35,978.39 | 33,439.82 |
| Telephone/Trunkcall/Postage | 551,825.00 | 888,145.16 |
| Travelling | 25,908.00 | 84,253.00 |
| Water | 116,514.00 | 123,125.00 |
| Web Charges | 10,509.00 | 1,250.00 |
| Membership fees | 359,920.73 | 402,257.35 |
| Petrol to Cars | 966,858.00 | 735,004.00 |
| Petrol to Motorcycles | 168,454.00 | 147,269.00 |
| Typing & Duplicating | 22,047.00 | 12,775.00 |
| Bad Debts Written off | 0.00 | 0.00 |
| Security Charges | 611,774.00 | 0.00 |
| Previous Years Expenses | 0.00 | (194,162.89) |
| Audit Fees | 370,000.00 | 347,225.00 |
| Marketing Expenses | 15,618,050.99 | 14,811,879.17 |
| Sales Distribution Expenses | 36,302,459.91 | 39,373,019.71 |
| Forwarding Expenses | 15,806,061.31 | 18,938,900.57 |
| Advertising Expenses | 332,416.00 | 354,111.00 |
| Commission | 3,099,498.00 | 4,006,434.20 |
| Sales Discount | 25,352,277.51 | 25,030,170.62 |
| | 127,521,507.83 | 146,897,907.56 |

Note 25 : (a) Other Expense

| Particulars | As at 31/03/2018 | As at 31/03/2017 |
|---------------------------|---------------------|---------------------|
| | Rupees | Rupees |
| Payment to auditor | | |
| As auditor | | |
| Audit Fees | 2,70,000.00 | 347,225.00 |
| Tax Audit Fee | 1,00,000.00 | 0.00 |
| Limited review | 0.00 | 0.00 |
| In other Capacity | | |
| Taxation Matters | 0.00 | 0.00 |
| Company Law matters | 0.00 | 0.00 |
| Management Services | 0.00 | 0.00 |
| Other Services | 0.00 | 0.00 |
| | 3,70,000.00 | 347,225.00 |



Note 26 : Bad debt provision & Written off

| Particulars | As at 31/03/2018 Rupees | As at 31/03/2017 Rupees |
|---|-------------------------------|-------------------------------|
| Bad debt written off | 0.00 | 0.00 |
| Less : Transfer from Provision for doubtful debt | 0.00 | 0.00 |
| Add : Provision for the year | 2,000,000.00 | 8,000,000.00 |
| Less : Excess Provision written off | 0.00 | 0.00 |
| | 2,000,000.00 | 8,000,000.00 |

Note 27

1. Significant Accounting Policies:

1.1 System of Accounting:

- Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the Purchasing Power of money.
- The Group follows the mercantile system of accounting and recognises income and expenditure on an accrual basis, except interest on margin money deposit with Bank of Baroda, and Gratuity.
- The Financial Statements are prepared in accordance with the principles and procedures required for the presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, 'Consolidated Financial Statements'.
- Company has not used the rate for conversion of financial statement as suggested by AS-11 to consolidate the financial statements, instead the Company has converted financial statement of foreign subsidiary by taking the average rate.

1.2 Revenue Recognition:

Sales are inclusive of Excise Duty and are net of Trade Discounts and sales returns.

1.3 Fixed Assets:

Fixed Assets are carried at cost of acquisition/installation. Fixed Assets are shown net of accumulated depreciation and amortised amount (except on Leasehold Land). Cost includes related taxes, duties, freight, insurance etc. attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable subsequently from taxing authorities.

1.4 Depreciation:

Depreciation on all the assets is being provided on "Straight Line Method" in accordance with the method prescribed in schedule II of the company act 2013. Depreciation on additions during the year is being provided on pro-rata. Plant & Machinery which were not put to use during the year were not considered for the purpose of depreciation. The same would be considered for depreciation as and when the said machinery would be put to use again. During the year no depreciation has been provided on slow moving items.

1.5 Inventories:

- Raw Materials & Packing Materials are valued at cost. Cost is arrived at on FIFO basis. However, as per AS-2 issued by ICAI, stock should be valued at cost or net realisable value whichever is lower. According to the management, there are no items having realisable value less than the cost.
- Materials in Process are not valued.



- c) Finished goods are valued at cost. Cost is arrived at considering direct material, direct labour and direct factory overheads. Finished stocks lying in the factory are valued exclusive of excise duty except the stocks lying in Duty Paid Godowns and Company's C & F distributors which are valued inclusive of excise duty.
- d) At present Stores, Machinery Spares are charged to revenue as and when purchased.

1.6 Retirement Benefits:

Company's contribution to Provident Fund and ESIC are charged to Profit & Loss Account. Gratuity is charged to P&L a/c on actual payment basis and not on accrual valuation as at year end as against AS-15 "Accounting for retirement Benefits".

1.7 Borrowing Cost:

During the year, there are no borrowing cost attributable to the acquisition of qualifying assets that are required to be capitalized as required by AS-16 "Borrowing Costs". Hence all borrowing cost have been charged to revenue.

1.8 Taxation:

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws.

Deferred tax assets are recognized only if there is a virtual certainty that they will be realized and reviewed for the appropriateness of their carrying values at each Balance Sheet date.

2. As per opinion of the company, it has carried out investigation in respect of old outstanding debtors and taken incentive steps to recover old outstanding debtors and reviving those customers by supply of goods to them. The company hope to recover old outstanding dues from old debtors and therefore after a detailed analytical review of recovering the same, about Rs. 1361.24 Lacs dues are pending out of which Rs.1021.96 dues are above 3 years for which provision should be made. A sum of Rs. 20 Lacs is provided as Provision for Bad debts by the company and balance will be provided in phased manner and also it plans to apply a settlement process with new incentives to recover dues. A sum of Rs.28.28 Lacs is already written off as bad debts out of accumulated provision of Rs.64.49 Lacs leaving balance provision of Rs.36.21 Lacs. To this extent of unprovided amount, profit is overstated and loss is understated.
3. Cost of material is not netted by Cenvat credit. Payment of net excise debited to excised expenses.
4. In the opinion of directors, the net realizable value of current assets sold in ordinary course of business is not less than the market value.
5. Some debtors, creditors, loans & advances, bank deposits are subject to confirmation and reconciliation.
6. **Contingent Liabilities:**
There are no contingent liabilities as certified by the Directors.
7. Claims against the Company not acknowledged as debts (estimated):

| | 2017-18 | 2016-17 |
|---------------------------------|---------|---------|
| i) In respect of Labour Matters | nil | Nil |
| ii) Other Claims | nil | Nil |

8. a) The company has identified the suppliers who are covered under the Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993. The liability under the said Act on account of interest is not ascertained as at 31 March 2018. However, no claims have been received for interest from suppliers with reference to the above Act.
- b) There are no small scale industrial undertakings to whom the company owes a sum which is outstanding as per terms of contract agreed for more than 30 days as at Balance Sheet date.



9. Remuneration to Managing Director & Jt. Managing Director - half & equal to each (exclusive of contribution to Gratuity Fund on Actual valuation)

| | As at 31/03/2018 | As at 31/03/2017 |
|---|-------------------------|-------------------------|
| i) Salaries | 68,04,000.00 | 68,04,000.00 |
| ii) Contribution to Provident & Super Annuation Funds | 0.00 | 0.00 |
| Total | 68,04,000.00 | 68,04,000.00 |

Notes :

- Remuneration paid to Managing Director and Joint Managing Director is computed as per the provisions of Section 197 of the Companies Act, 2013.
- As per the terms of appointment applicable during the year, no amount is payable to the Managing Director and Joint Managing Director as Commission.

10. Segment Reporting:

Considering the organization structure, nature of Products and risk and return profile based on geographical distribution, the agro chemicals business is considered as a single segment in accordance with AS-17 "Segment Reporting".

11. Related Party Disclosure:

a) Related Parties:

- | | |
|--------------------------------|--|
| i) Subsidiaries of the Company | Ocean Agro LLC |
| ii) Other related parties | Industrial Additives |
| iii) Key Management Personnel | Mr. Kaushik B. Parikh (MD) Mr. Manhar D. Patel (Jt. MD) |

- b) The following transactions were carried out during the year with the related parties in the ordinary course of business:

| | Other related parties | |
|---|------------------------------|---------------------------|
| | 2017-18 | 2016-17 |
| Transactions | | |
| Material purchased (Industrial Additives) | | 1 3 , 4 5 4 , 3 3 7 . 0 0 |
| 13,960,708.00 | | |
| Amount due to / from related parties | | |
| Advances due | (5,243,509.47) | (4,654,172.47) |

The remuneration of key management personnel is shown in Note no. 12.

12 Disclosure as required under clause 32 of listing agreement

- Loans and Advances in the nature of loans to Firms/Companies in which Directors are interested - Rs. Nil (Previous Year - Rs. Nil)
- Investment by the loanee in the shares of the Company as on 31 March 2018 is nil (Previous Year - nil)



CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31st March 2018

A. Cash Flow from Operating Activities :

Net Profit before Tax & extra ordinary items (17,80,769)

Adjustments for :

| | | |
|---------------------------------------|--------------|---------------|
| Depreciation | 3,516,974.00 | |
| Provision for Direct Tax | 1,750,000.00 | |
| Deferred Revenue Expenses written-off | 0.00 | |
| Interest Income | 0.00 | |
| Decrease in reserve | 0.00 | |
| Losses on Sales of Fixed Assets | 0.00 | |
| Interest Charged | 5,106,200.00 | 10,373,174.00 |

Operating Profit before working capital changes

8592405.00

| | | |
|---------------------------|----------------|--------------|
| Trade & Other receivables | (353,236.00) | |
| Inventories | (2,407,850.00) | |
| Trade Payable | (4,513,179.00) | 2,488,565.00 |

Cash generated from operations

6,103,840.00

| | | |
|---------------------------------------|----------------|----------------|
| Interest paid | 0 | |
| Direct Taxes paid | (1,750,000.00) | (1,750,000.00) |
| Cash Flow before Extra Ordinary Items | | 4,353,840.00 |

| | | |
|--|-----------|-----------|
| Extra Ordinary Items in Reserve Surplus) | (270,980) | (270,980) |
|--|-----------|-----------|

(Difference of Exchange Value in Reserve Surplus)

Net Cash from Operating Activities **A** 4,082,861.00

B. Cash Flow from Investing Activities

| | | |
|--------------------------|----------------|--|
| Purchase of Fixed Assets | (5,138,247.00) | |
| Sale of Fixed Assets | 0.00 | |
| Interest received | 0.00 | |
| Misc. Expenditure | 0.00 | |
| Investments | 0.00 | |

Net Cash used in Investing Activities

B (5,138,247.00)

C. Cash Flow from Financing Activities

| | | |
|--------------------------------------|----------------|--|
| Proceeds from issue of Share Capital | 0.00 | |
| Proceeds from Borrowing | 0.00 | |
| Repayment of Loan | 2,888,581.00 | |
| Interest Paid | (5,106,200.00) | |
| Dividend Paid | 0.00 | |

Net Cash used in Financing Activities

C (2,217,619.00)

NET CHANGES IN CASH & CASH EQUIVALENTS

(A+B+C) (3,273,006.00)

Cash & Cash Equivalents Opening Balances

7,642,779.00

Cash & Cash Equivalents Closing Balances

4,369,773.00

Place : Vadodara
Date : 30th May 2018

For Ocean Agro (India) limited
K.B. Parikh **M.D. Patel**
Managing Director Jt. Managing Director

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Ocean Agro (India) Limited derived from Audited Annual Financial Statements for the year ended 31 March 2018 and found the same to be drawn in accordance therewith and also with the requirements of clause 32 of the listing agreement with Stock Exchanges.

For Kishor Sheth & Co.
Chartered Accountants

Place : Mumbai
Date : 30th May 2018

CA. Kishor Sheth & Co.
M. No. 14603



Form No. AOC - 1

Salient features of the financial statement of subsidiaries/associate/joint ventures as per Companies Act, 2013

PART "A" : Subsidiaries

| Sr. No. | Name of Subsidiary Company | Reporting Period | Report ing Currency | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investme nt | Turnover | Profit/ (Loss) before taxation | Provis ion for taxation | Profit/ (Loss) after taxation | Propos ed Dividend | % of Shareh olding |
|---------|----------------------------|------------------|---------------------|------------------|--------------------|--------------|-------------------|-------------|----------|--------------------------------|-------------------------|-------------------------------|--------------------|--------------------|
| 1 | Ocean Agro L.L.C | 31.03.2018 | Rupees | Yet to be issued | -62983304 | 8754175 | -71737479 | 0.00 | 15815120 | -3816376 | 0.00 | -3816376 | | 0.00 |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |



OCEAN AGRO (INDIA) LIMITED

CORPORATE OFFICE

5, Alkapuri, Opp. Express Residency Hotel, Off. R.C. Dutt Road, Vadodara-390 007.
PHONE : 0265 2351223, 2313690 (FAX) : EMAIL : kaushik_parikh@gmail.com
L15174GJ1990PLC013922

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]

CIN : L15174GJ1990PLC013922
Name of the company : OCEAN AGRO (INDIA) LIMITED
Registered office : A-207, Oxford Avenue, Opp.
C.U.Shah College, Ashram Road,
Ahmedabad-380 014.

| |
|--|
| 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

- Name : _____
 Address : _____
 E-mail Id : _____
 Signature : _____, or failing him
- Name : _____
 Address : _____
 E-mail Id : _____
 Signature : _____, or failing him
- Name : _____
 Address : _____
 E-mail Id : _____
 Signature : _____, or failing him

As my/our proxy to attend and vote (Ballot at meeting) for me/us and on my/our behalf at the 28th Annual General Meeting of the company, to be held on the Saturday day of 29th September, 2018 At 09.30 a.m. at A – 207, Oxford Avenue, Opp. C. U. Shah College Ashram Road Ahmedabad 380 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

- Adoption of the audited Balance Sheet and Profit & Loss Account for the year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon (Ordinary resolution).
- To appoint a Director in place of Shri Manharbhai D. Patel who retires by rotation and is eligible for reappointment (Ordinary resolution).

Signed this..... day of..... 2018

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

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.

BLANK



OCEAN AGRO (INDIA) LIMITED

Registered Office :
A-207, Oxford Avenue, Opposite C.G. Shah College, Ashram Road, Ahmedabad - 380 014.

ATTENDANCE SLIP
(Please complete this Attendance Slip and hand it over at the entrance of the hall)

| Full Name of the Shareholder (BLOCK LETTERS) | No. of Shares held | Folio No. |
|---|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

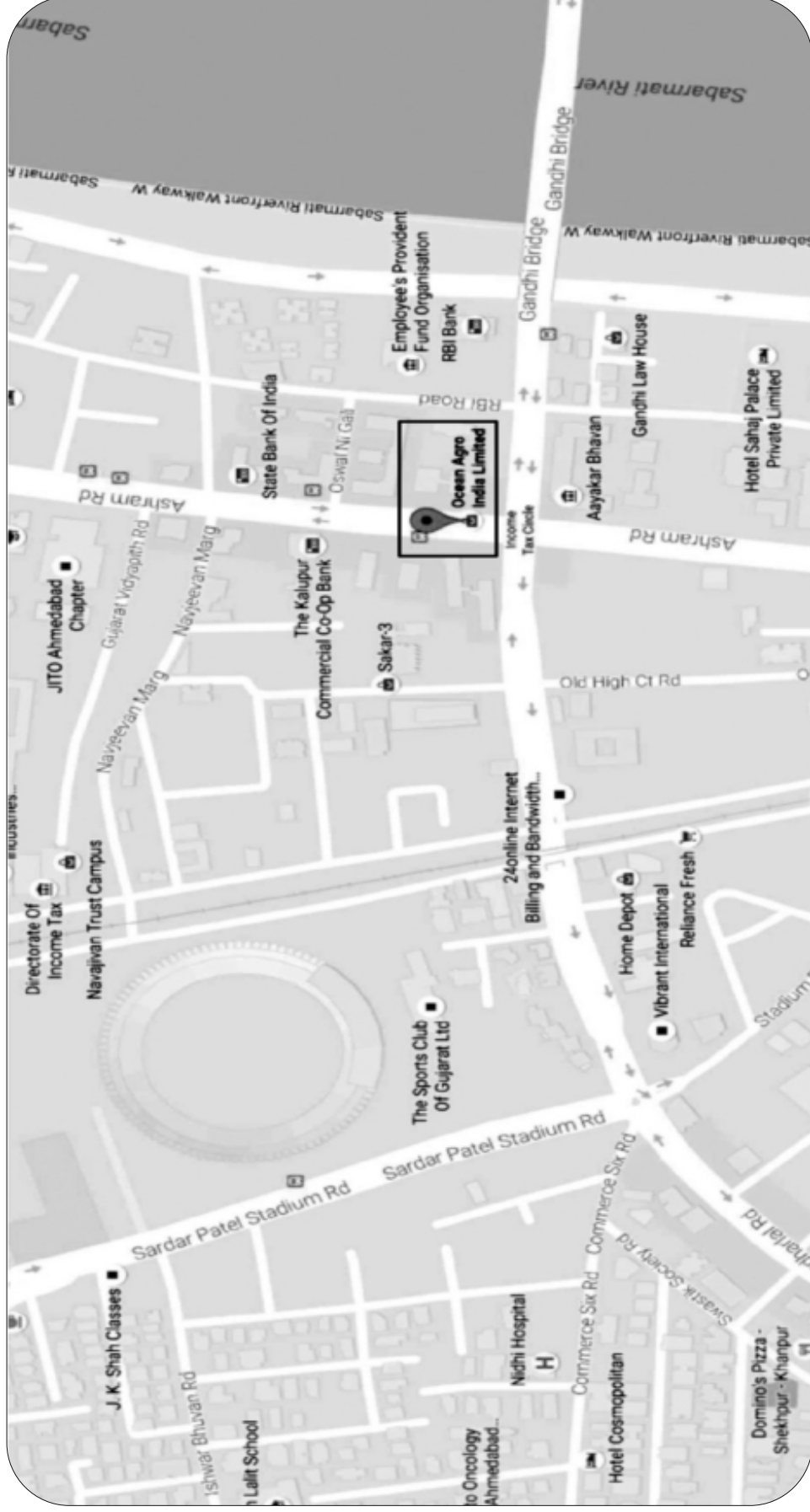
I hereby record my presence at the 28th Annual General Meeting of the Company held at A-207, Oxford Avenue, Opp. C.U. Shah College Ashram Road Ahmedabad-380 014 on Saturday the 29th September 2018 at 09.30 a.m.

Signature of the Shareholder

Note :Only Shareholders of the Company or their Proxies will be allowed to attend the Meeting.

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MAP FOR AGM



28th ANNUAL REPORT | 2017-2018

Book - Post

To,

If undelivered, please return to:
Ocean Agro (India) Limited
A 207, Oxford Avenue,
Opp. C. U. Shah College,
Ashram Road, Ahmedabad-380 014.