1st Annual Report 2017-18

P. N. GADGIL & SONS LTD.

CIN : U36911PN2017PLC173262

Gold | Silver | Diamonds

P. N. GADGIL & SONS LIMITED
(Formerly known as "P. N. Gadgil & Sons")
CIN: U36911PN2017PLC173262

1st Annual Report
Financial Year 2017-18

BOARD OF DIRECTORS :

Mr. Govind Vishwanath Gadgil,
Chairman and Whole Time Director
Mr. Amit Yeshwant Modak,
Whole Time Director
Mr. Ashish Chandrakant Khandelwal,
Independent Director
Mr. Ashok Namdeo Gokhale,
Independent Director

Mrs. Renu Govind Gadgil,
Whole Time Director
Mr. Udaya Narayan Kalkundrikar,
Non-Executive Director
Mr. Ranjeet Sadashiv Natu,
Independent Director
Mr. Ashutosh Vilas Nanal,
Independent Director

KEY MANAGERIAL PERSONNEL:

Mr. Amit Yeshwant Modak,
Chief Executive Officer
Ms. Purva Mehra,
Company Secretary

Mr. Aditya Amit Modak,
Chief Financial Officer
Ms. Avanti Nikhil Gulavani, Compliance Officer

AUDITORS:

Statutory Auditors
Shah & Taparia
Chartered Accountant

12, Navjeevan Wadi, Dhobi Talao, Mumbai-400002

Secretarial Auditor
Rohini R. Kulkarni
Company Secretary

B/2, Nikhil Co-op. Soc., 128/129, Sahakar Nagar 2, Near Janata Sahakari Bank, Pune-411009

Registered Office:

Abhiruchi Mall, S.No.59 /1-C,
Wadgaon (BK), Sinhgad Road,
Pune - 411041

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DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 1st Annual Report together with the audited financial statements for the period ended **31st March 2018**.

1. FINANCIAL RESULTS

(Amount in Rs.)

Particulars	**For the Period ended 31st March, 2018**
Turnover	7,01,67,73,106
Other Income	3,81,88,833
Gross Income	**7,05,49,61,939**
EBIDTA	19,59,13,634
Interest & Finance Expenses	13,16,24,731
Depreciation & Amortisation	2,76,71,870
Profit / (Loss) before Tax	**35,52,10,235**
Less : Current Tax	9,20,00,000
Less: Deferred Tax	26,55,549
Profit / (Loss) after Tax	**26,05,54,686**
Other Comprehensive Income	
- Re-measurement (gain)/loss on defined benefit plans	(14,93,972)
- Effect of income tax	4,46,698
Other Comprehensive Income, net of tax	**(10,47,274)**
Total Comprehensive Income, net of tax	**26,16,01,960**
Basic and Diluted Earning Per share (EPS) Not annualized	**14.17**

2. OPERATIONS OF THE COMPANY AND THE STATE OF COMPANY'S AFFAIRS

P. N. Gadgil & Sons, a partnership firm was converted into and registered as Public Company under Part I of Chapter XXI of the Companies Act, 2013, under the name and style, "P. N. Gadgil & Sons Ltd", vide Certificate of Incorporation dated 6th November, 2017.

We are one of the leading and trusted retail jewellery companies in Maharashtra. The legacy of the "P. N. Gadgil" brand traces back over six generations to the year 1832.

CURRENT PERIOD SCENARIO

As on March 2018, we are the 2nd largest in terms of the store count in Maharashtra (*Source: CRISIL Report*). Our stores are divided into three formats, primarily on account of the size of the store, namely 11 'large format stores' (above 3,500 sq. ft. of built up area), six 'medium-format stores' (above 2,200 sq. ft. of built area up to 3,500 sq.ft. of built up area) and eight 'small-format stores' (above 1,000 sq. ft. of built up area up to 2,200 sq. ft. of builtup area). As of 31st

March, 2018, we have 23 stores in Maharashtra and one store in Gujarat and Karnataka each, with an aggregate built-up area of 100,213 sq. ft. For efficient management and operations, our Company has divided its stores into three separate zones as per our zonal model, namely Pune-zone, Nashik-zone and Solapur-zone.

3. EXPANSION

Our store network has also increased from two stores as on 1st April, 2012 to 25 stores as on 31st March, 2018. We also sell our products through our online platform at www.onlinepng.com.

We further intend to expand our footprint by increasing our store count to 29 by end of FY2019 and 40 by end of FY2020. All of our stores are operated and managed by us. The Company has planned to go for public issue for an amount of Rs. 500 crores through Initial Public Offering (IPO). The Draft Red Herring Prospectus has been filed with Securities Exchange Board of India on 4th May, 2018 and the approval is awaited.

4. INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA), vide its notification dated 16th February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain class of Companies. In preparing the Financial Statements, the Company has opted to voluntarily present the Financial Statements under Ind AS.

5. CHANGE IN NATURE OF BUSINESS, IF ANY

The Company has not changed its nature of business during the financial period ended 31st March, 2018.

6. MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL PERIOD OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

a) As stated above, your Company has filed Draft Red Herring Prospectus, with the SEBI on 4th May, 2018, for the proposed initial public offering of equity shares of the Company such that the amount being raised for the issue aggregates upto Rs. 500 crores, as approved by the shareholders in their meeting held on 7th March, 2018.

b) Your Company has allotted Bonus Shares on 23rd April, 2018 as approved by the shareholders in their meeting held on 18th April, 2018 in the proportion of 2 new equity share of Rs. 10/- each for every 3 existing fully paid equity share of Rs. 10/- each held by the members on a “Record Date i.e. 20th April, 2018” by capitalizing a sum of Rs. 13,50,82,600 (Rupees Thirteen Crores fifty lakh eighty two thousand six hundred only) out of Rs. 76,69,51,260 (Rupees seventy six crores sixty nine lakh fifty one thousand two hundred sixty only) available in its Securities Premium Account, for distribution among the holders of existing fully paid equity shares of ` 10/- each of the Company.

c) The Board at its meeting held on 18th April, 2018 approved the following policies:
   i) Policy on materiality with respect to disclosures relating to litigation
   ii) Policy on materiality with respect to outstanding dues to creditors
   iii) Policy on Identification of Group Companies

All above policies are available on the website of the Company at https://www.pngadgilandsons.com.

7. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANIES OPERATIONS IN FUTURE

There are no significant and material orders passed by the regulators, courts or tribunals, which affect the going concern status of the Company and its operations in future.

8. RESERVES

A sum of Rs. 3.00 crores has been transferred to Inventory Price Risk Reserve in pursuance with the decision of the Board of Directors taken in this regard during board meeting dated 30th March, 2018 and this amount will be invested in liquid/ debts/ mutual funds or government securities.

It is proposed to transfer an amount of Rs. 2.61 crores to the General Reserve, It is thought prudent to transfer this much amount in view of declaration of dividend.

9. DIVIDEND

The Board of Directors of the Company is pleased to recommend a dividend at the rate of 40% per equity share for the financial period ended 31st March, 2018 on pro rata basis on 2,02,62,339 equity shares of Rs. 10 each i.e. on the equity shares outstanding as at 31st March, 2018. The Proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company.

Amount of Rs. 2,94,30,074/- (excluding dividend distribution tax) will be transferred / deposited by the Company in a special account be opened for the purpose of payment of dividend within 5 days of such declaration at the ensuing 1st Annual General Meeting of the Company.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March, 2018, the Board of your Company comprises of 8 Directors including 3 Whole Time Directors, 4 Independent Directors and 1 Non-Executive Director.

During the period under review Our First Directors of the Company, Mr. Govind Gadgil (DIN: 00616617), was appointed as Chairman of the Board in the Board meeting held on 7th November, 2017 and Whole time Director with effect from 5th December, 2017, Mrs. Renu Gadgil (DIN: 07412955), was appointed as Whole time Director and Mr. Amit Modak (DIN: 00396631) was appointed as Whole- Time Director and Chief Executive Officer with effect from 5th December, 2017.

Further in terms of section 203 of the Companies Act, 2013 CA Aditya Amit Modak, was appointed as Chief Financial Officer of the Company with effect from 5th December, 2017 and CS Purva Mehra, has been appointed as Company Secretary and the Compliance Officer of the Company with effect from 6th February, 2018. Thereafter, she had resigned from the post of Compliance officer of the Company and in her place CS Avanti Gulavani appointed as Compliance Officer of the Company with effect from 9th April, 2018.

In terms of provisions of Section149 and 160 of the Companies Act, 2013, the Board has appointed CA Ashish Khandelwal (DIN: 00098473), Mr. Ashok Gokhale (DIN: 02415119) and CA Ranjeet Natu (DIN: 02892084) as an Additional and Independent Directors with effect from 10th November, 2017 and Mr. Ashutosh Nanal (DIN: 08085279) as an Additional and Independent Director with effect from 15th March, 2018.

The appointments of abovementioned additional directors were duly confirmed by the members in the Extra Ordinary General Meeting held on 30th March 2018, on receipt of notices under section 160 of the Companies Act, 2013.

The Board of Directors has also appointed Mr. Udaya Kalkundrikar (DIN: 08007781) as an Additional Non- Executive Director with effect from 26th December, 2017 and his appointment has also been confirmed by the members in the Extra Ordinary General Meeting held on 30th March 2018 on receipt of notice under section 160 of the Companies Act, 2013.

Except above, there is no change in Board of Directors and Key Managerial Personnel during the period.

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REAPPOINTMENT

Pursuant to Section 152 of the Companies Act 2013 read with Article 94 of Articles of Association of the Company, Mrs. Renu Gadgil (DIN: 07412955) Whole time Director of the Company will retire by rotation and being eligible has offered herself for reappointment at this Annual General Meeting.

11. DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013

The Company has received declarations from the Independent Directors of the Company under section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Directors.

12. ALTERATION IN MEMORANDUM OF ASSOCIATION

i) The shareholders of the Company had passed the special resolution in the extra-ordinary general meeting held on 9th November, 2017 to alter the provisions of its memorandum of association with respect to its objects and complied with the section 13(1) of the Companies Act, 2013 and the same has been confirmed vide Registrar of Companies, Pune certificate dated 12th December, 2017.

ii) The shareholders of the Company had passed the special resolution in the extra-ordinary general meeting held on 7th February, 2018 to increase the authorized share capital of the Company from Rs. 21 crores divided into 2,10,00,000 equity shares of Rs. 10/- each to Rs. 30 crores divided into 3,00,00,000 equity shares of Rs. 10/- each and again increase the authorized share capital by passing ordinary resolution in the extra-ordinary general meeting held on 30th March, 2018 from Rs. 30 crores divided into 3,00,00,000 equity shares of Rs. 10/- each to Rs. 60 crores divided into 6,00,00,000 equity shares of Rs. 10/- each.

13. RIGHT ISSUE OF SHARES

The Board in their meeting held on 4th March, 2018 has allotted 20,00,739 (Twenty Lacs Seven Hundred and Thirty Nine) Equity shares of Rs. 10/- each at a price of Rs. 350/- (including a premium of Rs. 340/-) per share to the existing shareholders on right basis whose names were appearing in the Register of Members as on 5th February, 2018 as proposed by the Board in its meeting held on 3rd February, 2018.

14. PREFERENTIAL ALLOTMENT OF EQUITY SHARES

The Board in their meeting held on 30th March, 2018 has allotted 2,55,000 (Two Lacs Fifty Five Thousand) equity shares of face value of Rs. 10/- each at a price of Rs. 350/- (including a premium of Rs. 340/-) per share in accordance with the provisions of the Companies Act, 2013, and pursuant to the authority given by the members in the Extra Ordinary General Meeting of the Company held on 7th March, 2018.

15. ADOPTION OF ARTICLES

The Company in its Extra Ordinary General Meeting dated 30th March, 2018, pursuant to the provisions of Section 14 of the Companies Act, 2013 and the rules made thereunder, adopted new set of Articles of Association of the Company.

16. EMPLOYEES STOCK OPTION SCHEME

The Board of Directors of the Company in their meeting held on 15th March, 2018 and members of the Company in the Extra-Ordinary General Meeting held on 30th March, 2018 have adopted the "PNG Employees Stock Option Plan 2018 and 230,000 options were granted to the eligible employees in accordance with the approval of the Nomination and Remuneration Committee meeting held on 18th April, 2018.

17. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial period 2017-18, the Board of Directors met **10** times, the details of which are as under.

#	Dates on which Board Meetings were held	Total Strength of the Board	No. of Directors present
1.	7th November, 2017	3	3
2.	10th November, 2017	6	6
3.	5th December, 2017	6	6
4.	26th December, 2017	7	6
5.	5th January, 2018	7	6
6.	3rd February, 2018	7	6
7.	21st February, 2018	7	6
8.	4th March, 2018	7	6
9.	15th March, 2018	8	7
10.	30th March, 2018	8	6

Attendance of Directors at Board Meetings

Name of the Directors	No of Board Meetings attended	No of Board meetings held
Mr. Govind Gadgil (Since Inception)	10	10
Mrs. Renu Gadgil (Since Inception)	10	10
Mr. Amit Modak (Since Inception)	10	10
Mr. Ashish Khandelwal appointed w.e.f. 10th November, 2017	6	8
Mr. Ashok Gokhale appointed w.e.f. 10th November, 2017	8	8
Mr. Ranjeet Natu appointed w.e.f. 10th November, 2017	8	8
Mr. Udaya Kalkundrikar appointed w.e.f. 26th December, 2017	2	7
Mr. Ashutosh Nanal appointed w.e.f. 15th March, 2018	1	2

18. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 (3) (c) of the Companies Act, 2013, your Directors state as under -

(*a*) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

(*b*) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit and loss of the company for that period;

(*c*) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(*d*) the Directors had prepared the annual accounts on a going concern basis;

(*e*) the Directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively. The company is a non-listed entity; and

(*f*) 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.

19. EXTRACT OF THE ANNUAL RETURN

The extract of Annual return of the Company for the financial period ending on 31st March, 2018 in Form MGT 9, as required under Section 92(3) of the Companies Act 2013 is enclosed herewith as **Annexure A** and forms part of this Report.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has entered into a transaction with one of the related parties during the period ending on 31st March 2018, which was on arms length basis and not in the ordinary course of business. All other contract/ transactions entered with related parties during the period under report were on arms length and in ordinary course of business. Thus, provisions of Section 188(1) of the Companies Act, 2013 are applicable and the disclosure in Form **AOC 2** is enclosed herewith as **Annexure B.**

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has neither granted any loans nor given any guarantees during the financial period under consideration. Investments form part of the Notes to the financial statements provided in the Annual Report. These investments have been made by the erstwhile partnership firm i.e. P N Gadgil & Sons and have been inherited by the company.

22. DEPOSITS

During the period under report, your Company has not accepted any deposit from the public or other eligible entities.

You are requested to refer to Note 31 of Notes to Accounts for the period ended 31st March 2018 of the Company with respect to Refund of Deposits which was accepted by the erstwhile partnership firm.

During the period under reporting the Company has refunded Rs. 96.77 crores towards part payment of the unsecured loan alongwith interest to Mr. Govind Vishwanath Gadgil and Mrs. Renu Govind Gadgil, Whole-time Directors of the Company and Rs. 1.67 crores towards full payment alongwith interest to Mr. Amit Yeshwan Modak, Whole time Director and CEO of the Company. Pursuant to rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014 a declaration has been received from them that the amount has not been given out of the funds acquired by them, either by borrowings or by accepting loans or deposits from other.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR) / CSR COMMITTEE

Your director have constituted a CSR committee in their meeting held on 30th March, 2018 responsible to identify, monitor and review CSR activities of the Company and provide strategic directions for implementation of the CSR policy of the Company which can be accessed on the website of the Company at https://www.pngadgilandsons.com.

CSR Committee: The members of the CSR committee constituted by the Board as per Section 135 of the Companies Act 2013 are as follows:

1. Mr. Ashok Namdeo Gokhale, Independent Director, Chairman of the Committee
2. Mr. Amit Yeshwant Modak, Whole Time Director & CEO
3. Mr. Govind Vishwanath Gadgil, Whole Time Director

One (1) meeting of the Committee was held during the period ended 31st March, 2018 on 30th March, 2018 detailed as under:

Names of Members	No of meetings attended
Mr. Amit Yeshwant Modak	1
Mr. Govind Vishwanath Gadgil	1
Mr. Ashok Namdeo Gokhale	1

However, the Company is not required to make any Corporate Social Responsibility expenses, being the first year of the operation. CSR report is attached as **Annexure- C.**

24. AUDIT COMMITTEE

Your Directors have constituted the Audit committee in their meeting held on 10th November, 2017 in accordance with Section 177 of the Companies Act, 2013 read with rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 as follows:

1. Mr. Ashish Chandrakant Khandelwal, Independent Director, Chairman of the Committee
2. Mr. Ranjeet Sadashiv Natu, Independent Director
3. Mr. Amit Yeshwant Modak, Whole Time Director

The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

Three (3) meetings of the Committee were held during the period ended 31st March, 2018 on 5th December, 2017, 5th January, 2018 and 30th March, 2018 detailed as under:

Names of Members	No of meetings attended
Mr. Ashish Chandrakant Khandelwal	3
Mr. Ranjeet Sadashiv Natu	3
Mr. Amit Yeshwant Modak	3

25. NOMINATION AND REMUNERATION COMMITTEE

Your directors have constituted a Nomination and Remuneration Committee in their meeting held on 10th November, 2017 as required under the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration committee consisted of following members:

1. Mr. Ranjeet Sadashiv Natu, Independent Director, Chairman of the Committee
2. Mr. Ashok Namdeo Gokhale, Independent Director
3. Mr. Govind Vishwanath Gadgil, Whole Time Director
4. Mr. Ashish Chandrakant Khandelwal, Independent Director

The role of the Nomination and Remuneration Committee are as follows:

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks ; and
c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
d) Overall remuneration practices should be consistent with recognized based practices.
e) Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
f) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
g) To formulate criteria for evaluation of Independent Directors and other members of the Board.
h) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

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i) To formulate criteria and framework for evaluation of Director's performance.
j) To recommend to the Board the appointment and removal of Directors and SMPs.
k) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
l) To devise a policy on Board diversity, composition and size.
m) To ensure that it is structured to make appropriate decisions with a combination of variety of perspectives and skills.
n) Succession planning for replacing Managing / Whole time Directors, KMPs. SMPs and overseeing.
o) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
p) To recommend on committee members qualifications, committee member's appointment and removal, committee structure and operation.
q) To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.
r) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

Four (4) Meetings of the Committee were held during the period ended 31st March 2018 on 5th December, 2017, 26th December, 2017, 23rd January, 2018 and 4th March, 2018 detailed as under

Names of Members	No. of meetings attended
Mr. Ranjeet Sadashiv Natu	4
Mr. Ashok Namdeo Gokhale	4
Mr. Govind Vishwanath Gadgil	4
Mr. Ashish Chandrakant Khandelwal	2

Policy on Nomination and Remuneration can be accessed on the website of the Company at https://www.pngadgilandsons.com.

26. STAKEHOLDERS RELATIONSHIP COMMITTEE

Your directors have constituted a Stakeholders Relationship Committee in their meeting held on 30th March, 2018. The Stakeholders Relationship Committee formed under the provisions of Section 178(5) of Companies Act, 2013, consists of following members:

1. Mr. Ashish Chandrakant Khandelwal, Independent Director, Chairman of the Committee
2. Mr. Amit Yeshwant Modak, Whole Time Director
3. Mr. Govind Vishwanath Gadgil, Whole Time Director

This Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholder's / investor's / security holder's complaints.

Policy on Stakeholders Relationship is available on the website of the Company at https://www.pngadgilandsons.com.

27. NAME OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE PERIOD

No companies have become or ceased to be subsidiaries, joint ventures or associate companies during the period under consideration.

28. SECRETARIAL STANDARDS

The Company complies with all applicable secretarial standards, issued by the Council of the Institute of Company Secretaries of India.

29. STATEMENT ON RISK MANAGEMENT POLICY

Every business is subject to risks, uncertainties that could cause actual results to differ materially from those contemplated. The Company is aware of all these risk factors and has accordingly formulated various policies and procedures to face the challenges ahead. The Company has such policy in place since its inception and is under regular improvements. A Risk Management Policy is available on the website of the Company at https://www.pngadgilandsons.com.

30. CASES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy for prevention of sexual harassment at workplace. This inter alia provides a mechanism for the resolution, settlement or prosecution of acts or instances of Sexual Harassment at work and ensures that all employees are treated with respect and dignity. The Internal Complaints Committee(s) (ICC) has been set up by the Company to redress complaints received regarding sexual harassment and No compliant has been received till date.

Policy is available on the website of the Company at https://www.pngadgilandsons.com.

31. FORMAL ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The formal evaluation mechanism has been adopted for evaluating the performance of the Board as well as performance of its Committees and Individual Directors of the Board.

The exercise was carried out through a structured evaluation process covering various aspects such as composition of the Board & Committees, experience and competencies, performance of specific duties and obligations, attendance and contribution at Board meetings / Committee meetings / General meetings, preparedness for meetings, effective decision making ability, knowledge of sector where company operates, understanding and avoidance of risk while executing functional duties, successful negotiating ability, initiative to maintain corporate culture, commitment, dedication of time, leadership quality, attitude, initiatives and responsibilities undertaken, achievements etc.

In a separate meeting of Independent Directors held on 15th March, 2018, performance of non-independent Directors, performance of Board as a whole and performance of the Chairman were evaluated taking into account the views of executive and non executive Directors. The said meeting was attended by all the Independent Directors.

32. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

(A) CONSERVATION OF ENERGY :
In its endeavour towards conservation of energy your Company ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

(B) TECHNOLOGY ABSORPTION :
The Company has not carried out any research and development activities.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :
Company does not have any foreign exchange earning and outgo during the period under report.

33. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail such mechanism and also provide for direct access to the Chairman of the Audit Committee. The Policy can be accessed at the website of the Company.

34. INTERNAL FINANCIAL CONTROL

The Company has well devised Internal Control systems adopted by the Management to assist in achieving management's objective of ensuring the orderly and efficient conduct of its business, including, adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The system of internal control is under continuing supervision by management to determine that it is functioning as prescribed and is modified, as appropriate, for changes in conditions. The Company endeavors to create the control environment with budgetary controls and an effective internal audit function.

35. STATUTORY AUDITORS

As per section 139 of the Companies Act, 2013 and Rules made thereunder Company had appointed M/s Khandelwal Jain and Associates, Chartered Accountants as statutory auditors in the first Board meeting of the company.

M/s Khandelwal and Associates, Chartered Accountant had given their resignation on 26th December, 2017. Under section 139 and rules made thereunder, to fill the casual vacancy the Company has appointed M/s Shah & Taparia, Chartered Accountants (Registration Number 109463W) as the Statutory Auditors of the Company with effect from 5th January, 2018.

The Audit Committee of the Company has recommended and the Board of Directors in their meeting held on 18th April, 2018 has recommended the appointment of M/S Shah and Taparia, Chartered Accountants (Registration No. 109463W) as Statutory Auditors of the Company. M/S Shah and Taparia, Chartered Accountants (Registration No. 109463W) will hold office from the conclusion of 1st Annual General Meeting till the conclusion of 6th Annual General Meeting to be held in the year 2023 subject to the approval of shareholders of the Company.

36. AUDITORS REPORT

1. As regards auditors' observation regarding (i) b) of Annexure A to the Auditors Report, the Directors state that the said remark is self explanatory and does not call for any further explanation.

2. As regards observations made by the Auditors in Para vii) b) of Annexure A to the Auditors Report regarding amount not reported under Statement of Financial Transaction (SFT), under Income Tax Act 1961, the Directors state as under:

   Inaccurate amount reported under SFT for the year 2017-18 is due to the misinterpretation of the provision that, there is no need of reporting transactions of an amount of Rs. 2 lakhs and only require to report about the transactions of an amount of more than Rs. 2 lakhs, however, one of the requirements of reporting under SFT is to obtain PAN of all the relevant customers. The Company has already obtained PAN of all the relevant customers for further reporting to Income Tax Department.

3. As regards observations made by the Auditors in their Report under the Caption "Other Matter" and Para (i) c) of Annexure A to the Auditors Report regarding holding of some of the assets, deposits and instruments in the name of erstwhile partnership firm, the Directors state that -

   The Company was incorporated on 6th November, 2017 consequent upon conversion of erstwhile Partnership firm i.e. P. N. Gadgil & Sons, in accordance with section 366, Part I of

Chapter XXI of the Companies Act, 2013. The Company is in the process of getting those assets, deposits and instruments registered in the name of the Company i.e. "P. N. Gadgil & Sons Ltd.", with the State Revenue Authorities and relevant Local Bodies.

37. SECRETARIAL AUDITOR

In accordance with the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has been appointed Ms. Rohini Kulkarni, Practicing Company Secretary as the Secretarial Auditor of the Company. Ms. Rohini Kulkarni, Practicing Company Secretary has submitted Secretarial Audit Report of the Company for financial period ending on 31st March 2018 under Section 204 of the Companies Act, 2013 and the same is enclosed as Annexure D. It forms part of this report. The replies to the Secretarial Auditor's Comment is the Company was incorporated on 6th November, 2017 on conversion of Partnership firm in accordance with section 366, Part I of Chapter XXI of the Companies Act, 2013. Fixed and moveable assets etc held in the name of P. N. Gadgil & Sons (erstwhile partnership firm) are in the process to get registered with state revenue authorities and local bodies in the Company's name "P. N. Gadgil & Sons Ltd."

38. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION & PROTECTION FUND

The Company does not have any funds lying unpaid or unclaimed for a period of seven year. Therefore, there were no funds which required to be transferred to Investor Education and Protection Fund (IEPF).

39. ACKNOWLEDGEMENTS

The Directors place on record their sincere appreciation of the co-operation extended by the Bankers of the Company, viz., business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the period under review.

The Directors also place on record their sincere appreciation of the co-operation extended by all the stakeholders including, Government Authorities, Shareholders, Customers, Vendors and Suppliers.

The Board further take opportunity to place on record its deep appreciation for the committed efforts by the employees of Company at all the levels.

For & on behalf of the Board
P. N. Gadgil & Sons Limited

Date: 23.05.2018
Place: Pune

Sd/-	Sd/-
Govind Vishwanath Gadgil	Amit Yeshwant Modak
Chairman & Whole time Director	Whole time Director & CEO
DIN:00616617	DIN:00396631

Annexure - A

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
As on the financial period ended 31st March, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	U36911PN2017PLC173262
ii)	Registration Date:	6th November, 2017
iii)	Name of the Company:	**P. N. GADGIL & SONS LIMITED**
iv)	Category / Sub-Category of the Company:	Non- Government Company limited by shares
v)	Address of the registered office and contact details:	Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK), Sinhgad Road, Pune 411041. Contact: 020-24612000
vi)	Whether listed company ~~Yes~~ / No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Pvt. Ltd. 247 Park, C – 101, 1st Floor, L.B.S. Marg, Vikhroli – (West) Mumbai – 400 083 Contact No.: 022- 49186000

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:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Gold & Silver and precious metals	3211	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No	Name and address of the Company	CIN/GLN	Holding/ subsidiary/associate	% of shares held	Applicable section
	NA				

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 period				No. of Shares held at the end of the period				% Change during the period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters and Promoter Group									
(1) Indian									
Individual/ HUF	0	1,80,00,000	1,80,00,000	99.96	0	2,00,23,001	2,00,23,001	98.82	(1.14)
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks/FI	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)	0	1,80,00,000	1,80,00,000	99.96	0	2,00,23,001	2,00,23,001	98.82	(1.14)
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	1,80,00,000	1,80,00,000	99.96	0	2,00,23,001	2,00,23,001	98.82	(1.14)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									

Category of Shareholders	No. of Shares held at the beginning of the period				No. of Shares held at the end of the period				% Change during the period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	6600	6600	0.04	0	1,40,446	1,40,446	0.69	0.65
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	98,892	98,892	0.49	0.49
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	6600	6600	0.04	0	2,39,338	2,39,338	1.18	1.14
Total Public Shareholding (B) = (B)(1) + (B)(2)	0	6600	6600	0.04	0	2,39,338	2,39,338	1.18	1.14
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	1,80,06,600	1,80,06,600	100.00	0	2,02,62,339	2,02,62,339	100.00	0.00

(ii) Shareholding of Promoters and Promoter Group

S.No.	Shareholder's Name	Shareholding at the beginning of the period			Share holding at the end of the period			
		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	% change in share holding during the period
1	Renu Govind Gadgil	80,00,000	44.43	0	88,88,889	43.87	0	(0.56)
2	Govind Vishwanath Gadgil	1,00,00,000	55.53	0	1,11,11,112	54.84	0	(0.69)
3	Jyoti Ravindra Paranjape j/w Ravindra Balwant Paranjape	-	-	-	2,000	0.01	0	0.01
4	Ravindra Vinayak Khadilkar	-	-	-	4,000	0.02	0	0.02
5	Rohini Udaya Kalkundrikar	-	-	-	2,000	0.01	0	0.01
6	Anjali Vishwanath Gadgil	-	-	-	15,000	0.07	0	0.07
	Total	1,80,00,000	99.96	0	2,00,23,001	98.82	0	(1.14)

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

S. No.	Name of Promoter and Promoter Group	Shareholding at the beginning of the period		Date	Increase / Decrease	Reason	Cumulative Shareholding during the period	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Renu Govind Gadgil	80,00,000	44.43	04.03.2018 30.03.2018	8,88,889 -	Right Issue Preferential Allotment	88,88,889 88,88,889	44.43 43.87
2	Govind Vishwanath Gadgil	1,00,00,000	55.53	04.03.2018 30.03.2018	11,11,112 -	Right Issue Preferential Allotment	1,11,11,112 1,11,11,112	55.54 54.84
3	Jyoti Ravindra Paranjape j/w Ravindra Balwant Paranjape	-	-	30.03.2018	2,000	Preferential Allotment	2,000	0.01
4	Ravindra Vinayak Khadilkar	-	-	30.03.2018	4,000	Preferential Allotment	4,000	0.02
5	Rohini Udaya Kalkundrikar	-	-	30.03.2018	2,000	Preferential Allotment	2,000	0.01
6	Anjali Vishwanath Gadgil	-	-	30.03.2018	15,000	Preferential Allotment	15,000	0.07
	At the End of the period	1,80,00,000	99.96				2,00,23,001	98.82

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the period		Date	Increase/ Decrease	Reason	Cumulative Shareholding during the period	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Ganesh Hari Gadgil	0	0	30.03.2018	16,000	Preferential Allotment	16,000	0.08
2	Arundhati Ganesh Gadgil	0	0	30.03.2018	16,000	Preferential Allotment	16,000	0.08
3	Satish Digambar Kuber	1,100	0.006	04.03.2018	123	Right Issue	1,223	0.006

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the period		Date	Increase/ Decrease	Reason	Cumulative Shareholding during the period	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				30.03.2018	10,000	Preferential Allotment	11,223	0.06
4	Shrikant Digambar Kuber	1,100	0.006	04.03.2018	123	Right Issue	1,223	0.006
				30.03.2018	10,000	Preferential Allotment	11,223	0.06
5	Prafulla Dharmaraj Wagh	1,100	0.006	04.03.2018	123	Right Issue	1,223	0.006
				30.03.2018	10,000	Preferential Allotment	11,223	0.06
6	Vasudeo Dhananjay Gadgil	0	0	30.03.2018	10,000	Preferential Allotment	10,000	0.05
7	Ganesh Hari Gadgil (HUF)	0	0	30.03.2018	10,000	Preferential Allotment	10,000	0.05
8	Dhananjay Hari Gadgil	0	0	30.03.2018	10,000	Preferential Allotment	10,000	0.05
9	Himagauri Vasudeo Gadgil	0	0	30.03.2018	6,000	Preferential Allotment	6,000	0.03
10.	Neha Ganesh Gadgil	0	0	30.03.2018	4,000	Preferential Allotment	4,000	0.02
11.	Nisha Ganesh Gadgil	0	0	30.03.2018	4,000	Preferential Allotment	4,000	0.02
12.	Aditya Amit Modak	0	0	30.03.2018	4,000	Preferential Allotment	4,000	0.02
13.	Smita Pradeep Halasgikar	0	0	30.03.2018	4,000	Preferential Allotment	4,000	0.02

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(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the period		Date	Increase/ Decrease	Reason	Cumulative Shareholding during the period	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Renu Govind Gadgil	80,00,000	44.43	04.03.2018	888,889	Right Issue	88,88,889	43.87
2	Govind Vishwanath Gadgil	1,00,00,000	55.54	04.03.2018	11,11,112	Right Issue	1,11,11,112	54.84
3	Amit Yeshwant Modak	1,100	0.006	04.03.2018	123	Right Issue	1,223	0.006
				30.03.2018	32,000	Preferential Allotment	33,223	0.16
4	Aditya Amit Modak	0	0	30.03.2018	4,000	Preferential Allotment	4,000	0.02

V. INDEBTEDNESS

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

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial period				
i) Principal Amount	1281128253	1194562370	393960202	2869650825
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1567086	-	17961885	19528971
Total (i+ii+iii)	1282695339	1194562370	411922087	2889179796
Change in Indebtedness during the financial period				
• Addition*	10125538848	26744597	-	10152283444
• Reduction	-8817115552	-967743457	-411922087	-10196781095
Net Change	1308423296	-940998860	-411922087	-44497651
Indebtedness at the end of the financial period				
i) Principal Amount	2576508743	253563510	-	2830072253
ii) Interest due but not paid	14609891	-	-	14609891
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2591118635	253563510	-	2844682145

*Note: There is inclusion of interest in indebtedness in addition and reduction during the financial period ended 31st March, 2018.

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Govind Vishwanath Gadgil (WTD)	Renu Govind Gadgil (WTD)	Amit Yeshwant Modak (WTD & CEO)	
Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	96,00,000 - -	72,00,000 - -	11,99,371 - -	1,79,99,371
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission - as % of profit - others, specify...	-	-	-	-
Others, please specify (Incentive)	-	-	15,12,000	15,12,000
Total (A)	96,00,000	72,00,000	27,11,371	1,95,11,371

B. Remuneration to other directors:

1. Independent Directors:

Particulars of Remuneration	Name of Directors				Total Amount
	Ashish Khandelwal	Ashok Gokhale	Ranjeet Natu	Ashutosh Nanal	
• Fee for attending board/ committee meetings • Commission • Others, please specify	60,000 - -	80,000 - -	80,000 - -	10,000 - -	2,30,000
Total (1)	60,000	80,000	80,000	10,000	2,30,000

2. Other Non –Executive Directors

Particulars of Remuneration	Name of Directors Udaya Kalkundrikar	Total Amount
• Fee for attending board/ committee meetings • Commission • Others, please specify	20,000 - -	20,000 - -
Total (2)	20,000	20,000
Total (B) = (1 + 2)		2,50,000

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

Particulars of Remuneration	Key Managerial Personnel			
	CEO*	Purva Mehra Company Secretary	Aditya Modak CFO **	Total
Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	- - -	93389 - -	728645 - -	822034 - -
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission - as % of profit - others, specify...	-	-	-	-
Others, please specify	-	-	-	-
Total	-	93389	728645	822034

* Whole time Director is also the CEO, whose salary details are covered in VI A above.
** Excluding salary paid as employee of the Company before his appointment as CFO

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				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

Annexure B

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/transactions	NA
(c)	Duration of the contracts/arrangements/transactions	NA
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
(e)	Justification for entering into such contracts or arrangements or transactions	NA
(f)	Date of approval by the Board	NA
(g)	Amount paid as advances, if any:	NA
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Mr. Amit Yeshwant Modak, Whole Time Director and Chief Executive Officer (DIN: 00396631)
(b)	Nature of contracts/arrangements/transactions	Sale of Car
(c)	Duration of the contracts/arrangements/transactions	one time
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	To sale out the car “Innova” vehicle number MH 12 KE 1820 at Rs. 7.25 lacs
(e)	Date(s) of approval by the Board, if any:	January 05, 2018
(f)	Amount paid as advances, if any:	NIL

For & on behalf of the Board
P. N. Gadgil & Sons Limited

Date: 23.05.2018
Place: Pune

Sd/-	Sd/-
Govind Vishwanath Gadgil	Amit Yeshwant Modak
Chairman & Whole time Director	Whole time Director & CEO
DIN:00616617	DIN:00396631

P. N. GADGIL & SONS 1832

Annexure-C

Corporate Social Responsibility Report
(FY 2017-18)

1. **A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and project or programs:**

While pursuing our business strategy of maximizing the wealth of all stake holders, P. N. Gadgil & Sons Limited operates in a manner that not just continues to generate an attractive return for shareholders, but also minimizes our impact on the environment and helps in replenishing the planet; while lending a helping hand to the community.

The prime objective of our CSR Policy is:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

CSR Policy Web link: https://www.pngadgilandsons.com
The Company is yet to undertake any project in view of its inapplicability during the period ending 31st March, 2018.

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

The members of the CSR committee constituted by the Board as per Section 135 of the Companies Act 2013 are as follows:

1. Mr. Ashok Namdeo Gokhale, Independent Director – Chairman
2. Mr. Amit Yeshwant Modak, Whole Time Director
3. Mr. Govind Vishwanath Gadgil, Whole Time Director

Average net profit of the Company for last three financial years: NIL, since the Company has been incorporated on 06th November, 2017.

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

4. **Details of CSR spent during the financial year:** NIL The Company is not required to make any Corporate Social Responsibility expenses, being the first year of the operation.

a) Total amount to be spent for the financial year; NIL
b) Amount unspent, if any; NIL
c) Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

5. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report – Not Applicable

6. Responsibility Statement of the CSR Committee

The CSR committee hereby declares that the implementation and monitoring of CSR policy of the Company is in compliance with CSR objectives and policy of the Company is in consonance with section 135 of the Companies Act, 2013.

In view of applicability of the provisions related to implementation of the project, no project has been undertaken during the period ending 31st March,2018 and hence the question of providing information under this clause doesn't arise.

For and on behalf of the Board
P. N. Gadgil & Sons Ltd.

Place: Pune
Date: 23.05.2018

Sd/-	Sd/-
Ashok Gokhale	Amit Modak
Chairman CSR Committee	Member
DIN: 02415119	DIN: 00396631

Annexure D

Form no. MR-3

Secretarial Audit Report

For the financial period ended **31 March 2018**

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

To,
The Members,
P. N. Gadgil & Sons Limited
CIN: U36911PN2017PLC173262
Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK),
Sinhgad Road, Pune MH 411041 IN

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **P. N. Gadgil & Sons Limited** (hereinafter called as “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.

Part A

I) Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before me and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period ended on **31 March 2018**, generally 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 :

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

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (*)

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (*)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992; ('SEBI Act'); (*)

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (*)

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (*)

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (*)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (*)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (*)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (*)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (*)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (*) and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (*)

(*) The provisions of these Acts / Regulations / Guidelines were not applicable to the Company during the period under report.

(vi) The other law/s, as informed and certified by the management of the Company which is / are specifically applicable to the Company based on the sector/industry, is / are:

Bureau of Indian Standards Act, 1986

III) 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 Listing agreements entered into by the Company with Stock Exchange(s); No such agreement is executed, since the Company is a non-listed entity;

IV) During the period under report, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

The assets and liabilities of 'P.N. Gadgil & Sons' the erstwhile Partnership Firm registered under the Indian Partnership Act, 1932 (hereinafter called as the Firm) were vested in the company consequent upon registration of the firm as a Public Company under the name and style 'P. N. Gadgil & Sons Limited' under Part I of Chapter XXI of the Companies Act, 2013 with effect from 6th November 2017. At the financial period ended 31 March 2018, some of the assets are still held in the name of the erstwhile firm and the company is in process of getting the same transferred in its name.

V) I further report that;

(i) 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 report were carried out in compliance with the provisions of the Act.

(ii) 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. Consent of all the Directors has been obtained in cases where notice, agenda and detailed notes on agenda were sent at a shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iii) Based on inspection of the minutes of the Board of Directors and it's Committees, there were no dissenting views expressed by any member of the Board of Directors and / or it's Committees in any of the meetings.

VI) I further report that there are 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.

VII) I further report that during the audit period there are no events / actions taken by the company having a major bearing on the company's affairs.

Part B

This forms part of my Secretarial Audit Report

1. Maintenance of Secretarial record is the responsibility of the management of the Company, and my responsibility is to express an opinion on these secretarial records based on my audit.

2. I 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. I believe that the practices and processes I followed, provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company as it is a part of financial audit.

4. Where ever required, I have obtained the Management Representation Letter 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 and standards, is the responsibility of management. My examination was limited to the verification of procedures on test basis.

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

Place: Pune
Date:23-05-2018

Rohini Kulkarni
Company Secretary
FCS No: 9140
C P No: 9780

INDEPENDENT AUDITORS' REPORT

To the Members of P. N. Gadgil & Sons Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of P. N. Gadgil & Sons Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity for the period from 6 November, 2017 to March 31, 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit including other comprehensive income, its cash flows and the changes in equity for the period for the period from 6 November 2017 to March 31 2018.

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, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, based on our audit we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) in our opinion, the aforesaid Ind AS financial statements comply with theAccounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

(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

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

Other matter

P. N. Gadgil & Sons, the erstwhile partnership was converted into the Company in accordance with Section 366, Part I of Chapter XXI of the Companies Act, 2013 with effect from November 6th 2017. As at the Balance Sheet date, some of the assets, deposits and instruments are still held in the name of the erstwhile partnership firm and the same are in the process of being transferred in the name of company.

As this being the first year of preparation of financial statements of the Company after its incorporation, no comparatives figures of the previous years are available.

Our opinion is not modified in respect of the above matters.

For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

Ramesh Pipalawa
Partner
Membership Number: 103840
Place of Signature: Pune
Date: April 18, 2018

Annexure A referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management 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 erstwhile partnership firm which was then converted to a public limited company on November 6, 2017. As at balance sheet date some of the immovable properties are still held in the name of the erstwhile partnership firm and the same are in the process of being transferred in the name of Company.

Type of Asset	Total number of cases	Gross Block (Amount in Rs.)	Net Block (Amount in Rs.)
Land	1	109,047,359	109,047,359
Building	3	271,875,717	264,009,488

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans given in respect of which provisions of section 185 of the Act are applicable and hence not commented upon. The Company has complied with the provisions of section 186 of the Act, with respect to the investments made.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), since its incorporation. However, customers' deposits were transferred from the erstwhile partnership firm to the Company, in accordance with the requirements of Chapter XXI of the Act. Such deposits have been fully repaid by the company before March 31, 2018.

(vi) The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the order are not applicable to the Company.

(vii) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date of becoming payable.

(b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Authority where dispute is pending	Remarks, if any
Income Tax act, 1956	Amount not reported under SFT	20,633,274	2017-18	The Deputy Commissioner of Income Tax	-

(viii) In our opinion and according to the explanations given by the management, the Company has not defaulted in repayment of dues to a bank. The Company does not have any loans or borrowings from any financial institution, government or debenture holders during the period. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) In our opinion, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees during the course of our audit.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided 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) In our opinion all 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 Ind AS financial statements as required by the applicable Ind AS.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment or private placement of fully paid equity shares during the year and the requirements of Section 62 and

Section 42 of the Act have been complied. The amount raised has been used for the purposes for which they were raised.

(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) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

Ramesh Pipalawa
Partner
Membership Number: 103840
Place of Signature: Pune
Date: April 18, 2018

Annexure B referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of P. N. Gadgil & Sons Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the period from November 6, 2017 to March 31, 2018.

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 Ind AS 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.

For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

Ramesh Pipalawa
Partner
Membership Number: 103840
Place of Signature: Pune
Date: April 18, 2018

P. N. Gadgil & Sons Limited
Balance Sheet as at March 31, 2018

(Amounts in Rs.)

Particulars	Notes	As at March 31, 2018
ASSETS		
Non-current assets		
Property, plant and equipment	3	82,82,92,197
Investment Property	4	3,37,35,000
Intangible assets	5	41,59,043
Financial assets		
- Investments	6	75,12,500
- Other financial assets	6	5,24,56,240
Total Non-current assets		**92,61,54,980**
Current assets		
Inventories	7	3,81,99,90,141
Financial assets		
- Other financial assets	6	8,80,90,416
- Trade receivables	8	1,63,96,690
- Cash and cash equivalents	9	27,33,97,542
- Other bank balances	10	8,09,778
Other current assets	11	4,66,10,746
Total Current assets		**4,24,52,95,313**
Total Assets		**5,17,14,50,293**

The accompanying notes are an integral part of the financial statements

P. N. Gadgil & Sons Limited
Balance Sheet as at March 31, 2018

(Amounts in Rs.)

Particulars	**Notes**	**As at March 31, 2018**
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	12	20,26,23,390
Other equity	13	1,02,64,23,920
Total Equity		**1,22,90,47,310**
Non-current liabilities		
Financial liabilities		
- Borrowings	14	43,64,78,617
Provisions	15	1,87,09,390
Deferred tax liabilities (net)	16	31,02,246
Total Non-current liabilities		**45,82,90,253**
Current liabilities		
Financial liabilities		
- Borrowings	14	2,37,34,22,838
- Other financial liabilities	14	3,47,80,690
- Trade payables	17	31,39,41,981
Provisions	15	28,57,648
Current tax liabilities (net)	18	1,68,93,063
Other current liabilities	19	74,22,16,510
Total Current liabilities		**3,48,41,12,730**
Total Liabilities		**3,94,24,02,983**
Total Equity and Liabilities		**5,17,14,50,293**

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

Ramesh Pipalawa
Partner
Membership No.: 103840
Place: Pune
Date: April 18, 2018

For and on behalf of the Board of Directors of
P. N. Gadgil & Sons Limited
CIN: U36911PN2017PLC173262

Govind Gadgil
Chairman and Whole-time Director
DIN: 00616617
Place: Pune
Date: April 18, 2018

Amit Modak
Whole-time Director and Chief Executive Officer
DIN: 00396631
Place: Pune
Date: April 18, 2018

Aditya Modak
Chief Finance Officer
Place: Pune
Date: April 18, 2018

Purva Mehra
Company Secretary
Membership No. A33796
Place: Pune
Date: April 18, 2018

P. N. Gadgil & Sons Limited
Statement of Profit and Loss for the period from November 6, 2017 to March 31, 2018

Particulars	Notes	(Amounts in Rs.) For the period from November 6, 2017 to March 31, 2018
Revenue from operations	20	7,01,67,73,106
Other income	21	3,81,88,833
Total Income		**7,05,49,61,939**
Expenses		
Cost of goods sold	22	6,16,72,65,780
Employee benefits expense	23	16,47,25,417
Finance cost	24	13,11,89,643
Depreciation and amortization expense	25	2,76,71,870
Other expenses	26	20,88,98,994
Total		**6,69,97,51,704**
Profit before tax		**35,52,10,235**
Tax expense :		
Current tax	18	9,20,00,000
Deferred tax charge / (credit)	16	26,55,549
Total tax expense		**9,46,55,549**
Profit after tax		**26,05,54,686**
Other Comprehensive Income (OCI)		
Items that will not be reclassified to profit or loss :		
Re-measurement (gain) / loss on defined benefit plans		(14,93,972)
Effect of income tax		4,46,698
Other Comprehensive Income, net of tax		**(10,47,274)**
Total Comprehensive Income, net of tax		**26,16,01,960**
Basic and Diluted Earnings Per Share (EPS)*	27	**14.17***
(Nominal value per share Rs 10)		
**Not annualised*		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

For and on behalf of the Board of Directors of
P. N. Gadgil & Sons Limited
CIN: U36911PN2017PLC173262

Ramesh Pipalawa
Partner
Membership No.: 103840
Place: Pune
Date: April 18, 2018

Govind Gadgil
Chairman and Whole-time Director
DIN: 00616617
Place: Pune
Date: April 18, 2018

Amit Modak
Whole-time Director and Chief Executive Officer
DIN: 00396631
Place: Pune
Date: April 18, 2018

Aditya Modak
Chief Finance Officer
Place: Pune
Date: April 18, 2018

Purva Mehra
Company Secretary
Membership No. A33796
Place: Pune
Date: April 18, 2018

P. N. Gadgil & Sons Limited
Statement of Changes in Equity for the period from November 6, 2017 to March 31, 2018

A. EQUITY SHARE CAPITAL

	(Amounts in Rs.)
Particulars	**As at March 31,2018**
Opening balance	18,00,66,000
Changes in equity share capital	2,25,57,390
As at March 31, 2018	**20,26,23,390**

B. OTHER EQUITY

	(Amounts in Rs.)
Particulars	**As at March 31,2018**
i. Retained earnings	
Opening balance	
Profit for the period	26,05,54,686
Other comprehensive income	10,47,274
Less :	
Unamortized Preliminary Expenses	21,29,300
Transfer to Inventory Price Risk Reserve	3,00,00,000
Transfer to General Reserve	2,61,00,000
As at March 31, 2018	**20,33,72,660**
ii. Other Reserves	
General Reserve	
Opening balance	-
Transfer during the period	2,61,00,000
As at March 31, 2018	**2,61,00,000**
Securities Premium	
Opening balance	-
Issue of share capital	76,69,51,260
As at March 31, 2018	**76,69,51,260**
Inventory Price Risk Reserve	
Opening balance	
Transfer during the period	3,00,00,000
As at March 31, 2018	**3,00,00,000**
Total Other Equity	**1,02,64,23,920**

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

Ramesh Pipalawa
Partner
Membership No.: 103840
Place: Pune
Date: April 18, 2018

For and on behalf of the Board of Directors of
P. N. Gadgil & Sons Limited

Govind Gadgil
Chairman and Whole-time Director
DIN: 00616617
Place: Pune
Date: April 18, 2018

Amit Modak
Whole-time Director and Chief Executive Officer
DIN: 00396631
Place: Pune
Date: April 18, 2018

Aditya Modak
Chief Finance Officer
Place: Pune
Date: April 18, 2018

Purva Mehra
Company Secretary
Membership No. A33796
Place: Pune
Date: April 18, 2018

P. N. Gadgil & Sons Limited
Cash Flow Statement for the period from November 6, 2017 to March 31, 2018

(Amounts in Rs.)

Particulars	Notes	For the period from November 6, 2017 to March 31, 2018
A. Cash Flows from Operating Activities		
Profit before tax from continuing operations		35,52,10,235
Profit before tax		**35,52,10,235**
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation on property, plant and equipment	25	2,74,59,427
Amortization on intangible assets	25	2,12,443
Re-measurement gain / (losses) on defined benefit plans	28	14,93,972
Finance income	21	(46,395)
Finance cost	24	13,11,89,643
Depreciation written back	21	(3,48,14,381)
Loss on sale of Assets		10,32,566
Operating profit before working capital changes		**48,17,37,511**
Working capital adjustments :		
Increase/(Decrease) in trade payables	17	(11,64,63,004)
Increase/(Decrease) in provisions	15	35,17,890
Increase/(Decrease) in current tax provisions	18	(4,94,37,761)
Increase/(Decrease) in other current liabilities	19	3,69,10,335
(Increase)/Decrease in inventory	7	(74,33,62,268)
(Increase)/Decrease in trade receivables	8	4,38,24,758
(Increase)/Decrease in loans and advances	6	3,30,52,205
(Increase)/Decrease in other financial assets	6	3,51,03,678
(Increase)/Decrease in other assets	11	(73,23,083)
		(76,41,77,250)
Income tax paid	18	9,20,00,000
Net cash flows from / (used in) operating activities (A)		**(37,44,39,739)**
B. Cash Flows from Investing Activities		
Purchase of property, plant and equipment	3	(11,33,63,906)
Proceeds from sale of property, plant and equipment	3	25,90,643
Changes in other bank balances	10	(8,09,778)
Finance income	21	46,395
Net cash flow from/(used in) investing activities (B)		**(11,15,36,646)**

The accompanying notes are an integral part of the financial statements

P. N. Gadgil & Sons Limited
Cash Flow Statement for the period from November 6, 2017 to March 31, 2018

Particulars	Notes	(Amounts in Rs.) For the period from November 6, 2017 to March 31, 2018
C. Cash Flows from Financing Activities		
Disbursement / (Repayment) of borrowings		
Non-current borrowings	14	(99,82,08,095)
Current borrowings	14	94,75,72,642
Other financial liabilities	14	3,47,80,690
Finance cost	24	(13,11,89,643)
Issue of share capital		2,25,57,390
Securities Premium		76,69,51,260
Preliminary Expenses	13	(21,29,300)
Net cash flow from / (used in) financing activities (C)		**64,03,34,945**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		15,43,58,560
Cash and cash equivalents at the beginning of the period		11,90,38,982
Cash and cash equivalents in the statement of cash flows		**27,33,97,542**
Components of cash and cash equivalents		
Cash on hand	9	1,37,88,998
Balance with Banks		
- on current account	9	25,96,08,544
Total cash and cash equivalents		**27,33,97,542**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

Ramesh Pipalawa
Partner
Membership No.: 103840
Place: Pune
Date: April 18, 2018

For and on behalf of the Board of Directors of
P. N. Gadgil & Sons Limited

Govind Gadgil
Chairman and Whole-time Director
DIN: 00616617
Place: Pune
Date: April 18, 2018

Amit Modak
Whole-time Director and Chief Executive Officer
DIN: 00396631
Place: Pune
Date: April 18, 2018

Aditya Modak
Chief Finance Officer
Place: Pune
Date: April 18, 2018

Purva Mehra
Company Secretary
Membership No. A33796
Place: Pune
Date: April 18, 2018

P. N. Gadgil & Sons Limited

Notes to Financial Statements for the period from November 6, 2017 to March 31, 2018

1. Corporate Information

P. N. Gadgil & Sons Limited (the "Company") is a public limited company incorporated under the provisions of the Companies Act, 2013, as amended. It was originally formed as a partnership firm in the name and style of "P. N. Gadgil & Sons" (the "erstwhile partnership firm") which was then converted from a partnership firm to a public limited company on November 6, 2017 vide CIN No. U36911PN2017PLC173262. The registered office of the Company is located at Abhiruchi, 59/1C, Wadgaon bk. Sinhagad Road, Pune – 411041.

The Company is engaged in the business of manufacturing and selling jewellery and articles of gold, silver, platinum, bullion, precious and semiprecious metals, gems and diamonds.

2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of Preparation

The Balance sheet of the Company as at for the period ended March 31, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash flows from November 6, 2017 to March 31, 2018 (referred as the "period") and the notes, comprising a summary of significant accounting policies and other explanatory information (together referred as 'Financial Statements') have been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2016 to the extent applicable.

In preparing the Financial Statements, the Company has opted to voluntarily present the Financial Statements under Ind AS. All references to previous GAAP in the Financial Statements refer to accounting principles applicable to a partnership firm as per the Income Tax Act, 1961 ("Previous GAAP").

The Financial Statements are presented in Indian Rupees ("INR" or "Rupees" or "Rs.").

The Financial Statements have been prepared by the management as a going concern on the basis of relevant Ind AS that are effective as on the balance sheet date and using presentation and disclosure requirements of Division II of Schedule III of Companies Act, 2013.

Significant accounting judgments, estimates and assumptions

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities on the date of the financial statements. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.2 Significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current or non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements is presented in Indian currency (INR), which is the Company's functional and presentation currency.

(c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods and income from making charges

Revenue from the sale of goods and making charges is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of trade discounts.

Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(d) Taxes

Taxes comprise current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

  Deferred tax assets (including MAT credit entitlement, if any) are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses if any.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

At each reporting date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realized.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of Goods and Service Tax (GST) paid except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(e) Property, plant and equipment

On conversion the Company has carried forward the written down values of erstwhile partnership firm as on 06th November, 2017.
On adoption of Ind AS, the Company has recomputed accumulated depreciation as per the requirements of the Companies Act, 2013 and Ind AS 16 "Property, plant, and equipment". The impact on re-computation is treated as other income in the financial statements for the period ended March 31, 2018.

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, cost of replacing part of the plant and equipment and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Capital work in progress is stated at cost less impairment.

The Company identifies and determines cost of each component / part of the asset separately, if the component / part have a cost which is significant to the total cost of the assets and has useful life that is materially different from that of the remaining asset.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciation on property, plant and equipment

The Company was a partnership firm till November 6, 2017 and followed the written down value method of depreciation as per provisions of Income-tax Act, 1961. However, on conversion to Company and for the purpose of the Financial Statements, the Company has elected to follow the straight line method (SLM) of depreciation and has recomputed accumulated depreciation as per the requirements of the Companies Act, 2013 and Ind AS 16 "Property, plant, and equipment"
Under this method, the estimated useful lives, as specified in Schedule II of the Companies Act, 2013 are as follows:

Block of Assets	**Useful Life Considered (SLM)**
Building	30 / 60 Years
Office Equipment	5 Years
Furniture and Fixtures	10 Years
Electrical Installations	10 Years
Vehicles	8 / 10 Years
Computers	3 / 6 Years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

(f) Intangible assets

On conversion the Company has carried forward the written down values of erstwhile partnership firm as on 06th November, 2017.
On adoption of Ind AS, the Company has recomputed accumulated amortization as per the requirements of the Companies Act, 2013 and Ind AS 38 "Intangible Assets". The impact on re-computation is treated as other income in the financial statements for the period ended March 31, 2018.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit & Loss when the asset is derecognized.

Amortization of intangibles

The useful lives of intangible assets are assessed as 10 years, and the same shall be amortized on a straight-line basis over its useful life.

(g) Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

(h) Borrowing costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing cost directly attributable to the acquisition, construction or production of an assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset until such time that the assets are substantially ready for their intended use. All other borrowing costs are expensed in the period they occur.

Borrowing cost is calculated as per the Effective Interests Rate (EIR) method. It is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortized cost of a financial liability after considering all the contractual terms of the financial instrument.

(i) Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.
The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

(j) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating lease.

Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

(a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or

(b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases; if payments to the lessor vary because of factors other than general inflation, then this condition is not met.

(k) Inventories

Inventory is valued at lower of cost and net realizable value. Inventory of the Company includes stock physically present at its stores and held with goldsmiths and excludes customers' stock in the custody of the Company.

Cost of inventories comprises all costs of purchase and, other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to their present location and condition. Cost is determined on weighted average basis. Initial cost of inventories includes the gains and losses on forward contracts entered into for covering the price fluctuation exposure in respect of the purchases of the underlying assets.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(l) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(m) Provisions, Contingent liabilities and Contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each reporting date and adjusted to reflect the current best management estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the Financial Statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the Financial Statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

(n) Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognized in Statement of Profit and Loss in the period in which the related service is rendered. The liabilities are presented as current liability in the Balance Sheet.

Post-employment obligations

The Company operates the following post-employment schemes:
(a) defined contribution plans such as provident fund and
(b) defined benefit plans such as gratuity

- *Defined contribution plans - Provident fund*

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the period end date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the period end date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- *Defined benefit plans – Gratuity obligations*

Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the period.
Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

  - Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
  - Net interest expense or income.

- *Other employee benefit obligations*

The Company presents the entire balance of accumulated leaves as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Debt instruments at amortized cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

- *Debt instruments at amortized cost*

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the profit or loss.

- *Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL.
In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- *Equity investments*

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value in case of equity investments which are not held for trading. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.
Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to Profit &Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

- *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(p) Fair value measurement

The Company measures financial instruments, such as, investments in mutual funds and equity shares at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 -This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

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

(q) Cash and cash equivalents

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

(r) Earnings per share

Basic EPS is calculated by dividing the profit for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

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

(s) Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 was notified by the Ministry of Corporate Affairs (MCA) on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS.

The Company is engaged in the business of manufacturing and selling jewellery in India. The Company is in the process of assessing the impact of implementation of Ind AS 115 on its financial statements.

3 PROPERTY, PLANT AND EQUIPMENT

GROSS BLOCK

(Amounts in Rs.)

Particulars	Freehold Land	Buildings	Furniture and Fixtures	Office Equipments	Electrical Installations	Computers	Vehicles	Total
As at November 6, 2017	109,047,359	233,903,836	336,118,531	121,615,785	65,836,384	25,231,564	23,395,965	**915,149,424**
Additions during the period	-	37,971,881	44,299,037	18,242,050	13,967,881	3,301,050	13,975,624	**131,757,522**
Disposals during the period	-	-	-	(602,550)	-	-	(6,753,389)	**(7,355,939)**
As at March 31, 2018	**109,047,359**	**271,875,717**	**380,417,568**	**139,255,284**	**79,804,264**	**28,532,614**	**30,618,200**	**1,039,551,007**

ACCUMULATED DEPRECIATION

(Amounts in Rs.)

Particulars	Freehold Land	Buildings	Furniture and Fixtures	Office Equipments	Electrical Installations	Computers	Vehicles	Total
As at November 6, 2017	-	47,565,665	77,841,198	44,547,588	24,115,719	19,452,500	7,500,651	**221,023,321**
Depreciation provided for/(written back)*	-	(41,265,983)	(1,648,342)	19,335,124	(5,634,070)	(4,144,870)	(133,067)	**(33,491,208)**
Depreciation charge for the period	-	1,566,547	12,985,927	7,710,771	2,547,385	1,619,946	1,028,852	**27,459,427**
Depreciation on disposals	-	-	-	(497,587)	-	-	(3,235,143)	**(3,732,730)**
As at March 31, 2018	-	**7,866,229**	**89,178,783**	**71,095,896**	**21,029,034**	**16,927,576**	**5,161,293**	**211,258,810**

** On account of change in method of depreciation from conversion of partnership firm to company. Refer Note 2.2 (e)*

NET BLOCK

(Amounts in Rs.)

Particulars	Freehold Land	Buildings	Furniture and Fixtures	Office Equipments	Electrical Installations	Computers	Vehicles	Total
As at November 6, 2017	**109,047,359**	**186,338,171**	**258,277,334**	**77,068,197**	**41,720,665**	**5,779,064**	**15,895,314**	**694,126,103**
As at March 31, 2018	**109,047,359**	**264,009,488**	**291,238,785**	**68,159,389**	**58,775,231**	**11,605,038**	**25,456,907**	**828,292,197**

4 INVESTMENT PROPERTY

(Amounts in Rs.)

Particulars	As at March 31,2018
As at November 6, 2017	33,735,000
Additions during the period	-
Disposals during the period	-
As at March 31, 2018 (Refer Note 34)	**33,735,000**

5 INTANGIBLE ASSETS

(Amounts in Rs.)

Particulars	Computer Software	Total
GROSS BLOCK		
As at November 6, 2017	5,629,150	5,629,150
Additions during the period	-	-
Disposals during the period	-	-
As at March 31, 2018	**5,629,150**	**5,629,150**
AMORTIZATION		
As at November 6, 2017	2,580,838	2,580,838
Amortization written back*	(1,323,174)	(1,323,174)
Amortization for the period	212,443	212,443
Amortization on disposals	-	-
As at March 31, 2018	**1,470,107**	**1,470,107**

** On account of change in method of depreciation from conversion of partnership firm to company. Refer Note 2.2 (e)*

Particulars	Computer Software	Total
NET BLOCK		
As at November 6, 2017	**3,048,312**	**3,048,312**
As at March 31, 2018	**4,159,043**	**4,159,043**

P. N. Gadgil & Sons Limited
Notes to Financial Statements for the period from November 6, 2017 to March 31, 2018

6 FINANCIAL ASSETS

(Amounts in Rs.)

Particulars	As at March 31,2018
i) Investments	
Unquoted equity shares (Fair Value Through Profit and Loss)	
The Shamrao Vitthal Co-operative Bank (100 Equity shares of Rs.25 each, fully paid up)	2,500
The Vishweshwar Sahakari Bank (100 Equity shares of Rs.50 each, fully paid up)	5,000
Unquoted preference shares (Fair Value Through Profit and Loss)	
The Shamrao Vitthal Co-operative Bank (7,50,500 Preference shares of Rs.10 each, fully paid up)	7,505,000
Total Investments	**7,512,500**
Non-current	7,512,500
Aggregate cost of unquoted investments	7,512,500
Aggregate amount of impairment in value of investments	-
ii) Other financial assets	
Non - Current	
Fixed Deposits with maturity of more than 12 months at balance sheet date	1,000,000
Security deposits	
- to others	33,006,240
- to related parties (Refer Note 36)	18,450,000
Total Non-Current Other Financial Assets	**52,456,240**
Current	
Advance to creditors	68,298,865
Margin money deposit	10,640,422
Security deposits	1,200,000
Other receivables	7,951,129
Total Current Other Financial Assets	**88,090,416**
Total Other Financial Assets	**140,546,656**

P. N. Gadgil & Sons Limited
Notes to Financial Statements for the period from November 6, 2017 to March 31, 2018

7 INVENTORIES

(Amounts in Rs.)

Particulars	As at March 31,2018
Finished Goods*	3,819,990,141
Total Inventories	**3,819,990,141**

*valued at lower of cost and net realisable value

8 TRADE RECEIVABLES

(Amounts in Rs.)

Particulars	As at March 31,2018
Trade Receivables*	
- Unsecured, considered good	24,385,558
Less: Provision for bad and doubtful debts	(7,988,868)
Total Trade Receivables	**16,396,690**

*No material trade receivables are due from directors or other officers of the company, either severally or jointly with any other person.

9 CASH AND CASH EQUIVALENTS

(Amounts in Rs.)

Particulars	As at March 31,2018
Balances with banks	
- on current accounts	259,608,544
Cash in hand	13,788,998
Total Cash and Cash Equivalents	**273,397,542**

10 OTHER BANK BALANCES

(Amounts in Rs.)

Particulars	As at March 31,2018
Fixed deposits with original maturity of more than 3 months but less than 12 months*	666,370
- Accrued interest	143,408
Total Other Bank Balances	**809,778**

*on lien with the bank

11 OTHER CURRENT ASSETS

(Amounts in Rs.)

Particulars	As at March 31,2018
Prepaid expenses	23,231,262
Balance receivable from statutory authorities	23,379,484
Total Other current assets	**46,610,746**

12 SHARE CAPITAL

Particulars	(Amounts in Rs.) As at March 31,2018
EQUITY SHARE CAPITAL	
Authorized share capital	
60,000,000 Equity shares of Rs 10 each	**600,000,000**
Issued, subscribed and fully paid up	
20,262,339 equity shares of Rs 10 each	**202,623,390**

a. Reconciliation of number of shares

Authorized share capital	
Opening balance	210,000,000
Increase during the period	390,000,000
As at March 31, 2018	**600,000,000**

During the period ended March 31, 2018 the authorised share capital of the Company was increased by Rs 39,00,00,000 i.e. 3,90,00,000 equity shares of Rs 10 each.

Issued, subscribed and fully paid up	
Opening balance	180,066,000
Increase during the period	
- Rights Issue	
2,000,739 equity shares of Rs 10 each	20,007,390
- Private Placement	
255,000 equity shares of Rs 10 each	2,550,000
As at March 31, 2018	**202,623,390**

Rights Issue

An issue of 20,00,739 equity shares of Rs 10 each, was made by way of allotment for cash at a premium of Rs 340 per share on rights basis, in the ratio of 1 equity share for every 9 fully paid up equity shares held by existing shareholders of the Company as on February 5, 2018. All shareholders of the Company as at February 5, 2018 exercised their right and allotment was made by converting existing liability to equity in the case of the Promoters of the Company, and by way of cash with respect to the other shareholders.

The Equity Shares so issued shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari-passu with the existing equity shares of the Company and that the equity shares so allotted during the financial year shall be entitled to dividend, if any, proportionately in the year of the allotment of these shares.

Private Placement on Preferential Basis

The Company offered, issued and allotted 255,000 equity shares of Rs 10 each at a premium of Rs. 340 per share, for cash, through private placement on a preferential basis to the proposed allottees by passing a special resolution on March 7, 2018 in an extraordinary general meeting. Such equity shares shall rank pari passu with the existing equity shares of the company in all respect, unless otherwise decided by the Board.

b. Terms and rights attached to equity shares

The company has only one class of equity shares having face value of Rs.10 per share . Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company , the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. **Details of shareholders holding more than 5% share in the Company (No. of shares)**

Particulars	As at March 31,2018
Govind Gadgil	11,111,112
Renu Gadgil	8,888,889

d. **Details of shareholders holding more than 5% share in the Company (% shareholding)**

Particulars	As at March 31,2018
Govind Gadgil	54.84%
Renu Gadgil	43.87%

13 OTHER EQUITY

(Amounts in Rs.)

Particulars	As at March 31,2018
i. Retained earnings	
Opening balance	-
Profit for the period	260,554,686
Other Comprehensive Income	1,047,274
Less :	
Unamortized preliminary expenses	2,129,300
Transfer to Inventory Price Risk Reserve	30,000,000
Transfer to General Reserve	26,100,000
As at March 31, 2018	**203,372,660**
ii. Other Reserves	
General Reserve	
Opening balance	-
Transfer during the period	26,100,000
As at March 31, 2018	**26,100,000**
Securities Premium	
Opening balance	-
Increase due to issuance of shares during the period	
- Rights Issue	
20,00,739 equity shares at Rs 340 per share	680,251,260
- Private Placement	
2,55,000 equity shares at Rs 340 per share	86,700,000
As at March 31, 2018	**766,951,260**
Inventory Price Risk Reserve	
Opening balance	-
Transfer during the period	30,000,000
As at March 31, 2018	**30,000,000**
Total Other Equity	**1,026,423,920**

Inventory Price Risk Reserve

A reserve to the extent of 5% of the Company's inventory value will be created in tranches upto March 31, 2021, to protect the Company from fluctuations in gold, silver and precious metal prices. The targeted 5% reserve of the Company's inventory valuation will be first achieved by the end of financial year 2020-2021 as at March 31, 2021 . Such reserve balance will be invested in liquid financial assets by the end of nine months from each balance sheet date i.e. on December 31 of the subsequent financial year. Returns from investments in such financial assets would be easily liquidated to be used in times when fluctuation in commodity prices is abnormal and will ease the working capital requirements of the Company. Returns from earmarked investments in financial assets in the form of growth or interest or dividend, will be set aside upto 60% and be accumulated in the 'Inventory Price Risk Reserve' balance itself. The remaining 40% returns will be accounted for in the Statement of Profit and Loss of the Company.

In the current financial period, the Company has transferred Rs 30,000,000 to such reserve.

14 BORROWINGS

(Amounts in Rs.)

Particulars	As at March 31,2018
FINANCIAL LIABILITIES	
NON CURRENT	
Term Loans	
Secured	
- term loans from banks	471,259,307
Less: Current maturities of long term borrowings	(34,780,690)
Total Non Current Borrowings	**436,478,617**
CURRENT	
Other Loans	
Secured	
- term loans from banks	344,467,737
(repayable in 12 months from the balance sheet date)	
- demand loans from banks	1,258,406,514
- cash credit from banks	516,985,077
Unsecured	
- from others	8,848,536
- from promoters	244,714,974
Total Current Borrowings	**2,373,422,838**
OTHER FINANCIAL LIABILITIES	
Current maturities of long term borrowings	34,780,690
Total Other financial liabilities	**34,780,690**

P. N. Gadgil & Sons Limited
Notes to Financial Statements for the period from November 6, 2017 to March 31, 2018

Footnote to Note 14 "Borrowings"

(Amounts in Rs.)

Sr. No.	Name of Lender	Type of Facility	Amount outstanding as at March 31, 2018	Rate of Interest (%)	Repayment Terms	Security Provided
SECURED LOANS						
1	The Shamrao Vitthal Co-operative Bank	Term Loan	219,454,512	7.90 % below PLR**	Repayable in 84 equated monthly instalment	**Primary Security** 1. Charge on Aundh shop 2. Charge on Chinchwad Shop **Personal Guarantee** 1. Mr. Govind Gadgil 2.Mrs. Renu Gadgil
2	HDFC Bank Limited	Term Loan	251,804,795	0.40 % over one year MCLR*	2 years with 6 months moratorium period	**Primary Security** 1. Negative Lien on shop no 2,upper ground floor, E-building ,star zone apartment ,Devlali , Nashik - 422401 **Personal guarantee** 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
3	The Federal Bank Limited	Overdraft (with diminishing drawing power)	143,862,501	0.40 % over one year MCLR*	5 Years	**Primary Security** 1. Hypothecation of credit card receivables of at least 1.10 times of monthly obligations to term loan **Collateral Security** 1. 10% cash margins **Personal Guarantee** 1. Mr. Govind Gadgil 2.Mrs. Renu Gadgil
4	The Federal Bank Limited	Overdraft (with diminishing drawing power)	99,999,757	7.65% p.a	3 Years	**Collateral Security** 1. 110 % coverage by way of FD in the name of Mr. Govind Gadgil , Director of the company **Personal Guarantee** 1. Mr. Govind Gadgil 2.Mrs. Renu Gadgil
5	The Federal Bank Limited	Working Capital Demand Loan and Cash credit (Interchangeable)	100,605,479	0.40 % over one year MCLR*	Repayable in 12 months whereas maximum tenor permitted for 1 tranche of WCDL is 180 days	**Primary Security** 1. First pari passu charge with existing working capital lenders on entire current assets (both present and future) of head office and branches **Collateral Security** 1. 10% cash margin **Personal Guarantee** 1. Mr. Govind Gadgil 2.Mrs. Renu Gadgil
6	YES Bank Limited	Working Capital Demand Loan	301,962,466	Interest to be decided at the time of disbursement	Repayable in 12 months	**Primary Security** 1. First pari passu charge on gold and diamond stock 2. Exclusive charge on commercial store located at Satara Road, Pune **Personal guarantee** 1. Mr. Govind Gadgil

P. N. Gadgil & Sons Limited
Notes to Financial Statements for the period from November 6, 2017 to March 31, 2018

Footnote to Note 14 "Borrowings"

(Amounts in Rs.)

Sr. No.	Name of Lender	Type of Facility	Amount outstanding as at March 31, 2018	Rate of Interest (%)	Repayment Terms	Security Provided
7	HDFC Bank Limited	Working Capital Demand Loan (Interchangeable)	603,917,260	10.40%	Repayable within - minimum 15 Days - maximum 180 days	**Primary Security** 1. First pari passu charge on gold inventory 2. Exclusive charge on commercial shop located at Mudra, Satara Road, Pune **Personal guarantee** 1. Mr. Govind Gadgil 2.Mrs. Renu Gadgil
		Cash Credit (Interchangeable)	-	(Base Rate + 130 bps)	Repayable on demand	
8	The Shamrao Vitthal Co-operative Bank	Working Capital Demand Loan	352,526,713	9.00% below PLR**	Rolled over every 12 months	**Primary Security** 1. Hypothecation of gold and diamond stock **Collateral Security** 1. Residential bungalow of Mr. Govind Gadgil **Personal guarantee** 1. Mr. Govind Gadgil 2.Mrs. Renu Gadgil
9	The Shamrao Vitthal Co-operative Bank	Cash Credit	368,121,997	8.50 % below PLR**	Repayable on demand and is subject to annual renewal	**Primary Security** 1. Hypothecation of gold and diamond stock **Collateral Security** 1. Residential bungalow of Mr. Govind Gadgil situated at 576, Shaniwar Peth, Pune **Personal guarantee** 1. Mr. Govind Gadgil 2.Mrs. Renu Gadgil
10	Bank of Baroda	Cash Credit	148,863,080	1.6% over MCLR*+ 0.25% Strategic Risk Premium	Repayable on demand and is subject to annual renewal	**Primary Security** 1. First pari passu charge on gold inventory 2. 10% cash margin on stand by letter of credit (SBLC) as and when issued **Collateral Security** 1. Charge on shops at Satara Road, Pune . 2. Lien on fixed deposits **Personal guarantee** 1. Mr. Govind Gadgil 2.Mrs. Renu Gadgil
11	Kotak Mahindra Bank	Gold Metal Loan	-	Gold Libor + Margin As decided by bank's treasury	On due date (latest 24 hours prior to due date)	**Primary Security** 1. Stand by later of credit in favour of the bank for 108% , issued by Bank of Baroda .
UNSECURED LOANS						
1	From Promoters	Unsecured Loan	244,714,974	8.00%	Repayable on demand	Not Applicable

*MCLR - Marginal Cost of funds based Lending Rate
**PLR - Prime Lending Rate

15 PROVISION FOR EMPLOYEE BENEFITS

(Amounts in Rs.)

Particulars	As at March 31, 2018
Non-Current	
- Gratuity payable	18,709,390
Total Long Term Provisions	**18,709,390**
Current	
- Gratuity payable	2,857,648
Total Short Term Provisions	**2,857,648**

16 DEFERRED TAX LIABILITIES (NET)

(Amounts in Rs.)

Particulars	As at March 31, 2018
Deferred Tax Liability	
Depreciation	23,669,327
	23,669,327
Deferred Tax Asset	
Gratuity	6,448,544
Previous disallowances allowed on payment basis	14,118,536
	20,567,080
Deferred Tax Liabilities (net)	**3,102,246**
Tax (income)/expense during the period recognised in OCI	446,698
Deferred Tax Expense	**2,655,549**

P. N. Gadgil & Sons Limited
Notes to Financial Statements for the period from November 6, 2017 to March 31, 2018

17 TRADE PAYABLES

(Amounts in Rs.)

Particulars	As at March 31, 2018
Trade payables*	313,941,981
Total Trade Payables	**313,941,981**

* Refer Note 43 on Outstanding dues to micro, small and medium enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006.

18 PROVISION FOR INCOME TAX (NET OF ADVANCE TAX)

(Amounts in Rs.)

Particulars	As at March 31, 2018
Provision for Income Tax	228,400,000
Less : TDS Receivable	106,937
Less : Advance Tax	211,400,000
Total Provision for Income Tax (net of advance tax)	**16,893,063**

19 OTHER CURRENT LIABILITIES

(Amounts in Rs.)

Particulars	As at March 31, 2018
Salary payable	490,525
Bonus and incentives payable	27,419,229
Statutory dues payable	13,802,918
Advances from customers	178,360,783
Payable for gift coupons	6,977,150
Payable against schemes	437,777,103
Outstanding expenses	70,861,265
Other payables	6,527,536
Total Other Current Liabilities	**742,216,510**

P. N. Gadgil & Sons Limited
Notes to Financial Statements for the period from November 6, 2017 to March 31, 2018

20 REVENUE FROM OPERATIONS

(Amounts in Rs.)

Particulars	For the period from November 6, 2017 to March 31, 2018
Sale of jewellery	
Gold	5,726,087,635
Silver and others	277,383,147
Diamond	218,648,742
Platinum	6,935,846
Colour Stones	45,433,585
Making charges	799,023,819
Total Sales	**7,073,512,774**
Less: Discount	56,739,668
Net Sales	**7,016,773,106**

21 OTHER INCOME

(Amounts in Rs.)

Particulars	For the period from November 6, 2017 to March 31, 2018
Interest Income	
- on deposits with banks	46,395
- on others	549,275
Other Non Operating Income	
Other Income*	2,778,782
Depreciation written back due to change in method	34,814,381
Total Other Income	**38,188,833**

*Other Income consist of excess provisions and advances written back.

22 COST OF GOODS SOLD

(Amounts in Rs.)

Particulars	For the period from November 6, 2017 to March 31, 2018
Inventory at the beginning of the period	3,076,627,872
Add : Purchases (including conversion costs)	6,910,628,049
	9,987,255,921
Less : Inventory at the end of the period	3,819,990,141
Total Cost of goods sold	**6,167,265,780**

23 EMPLOYEE BENEFITS EXPENSES

(Amounts in Rs.)

Particulars	For the period from November 6, 2017 to March 31, 2018
Salaries and bonus	123,756,676
Contribution to provident fund and other funds	9,547,765
Directors Remuneration	19,511,371
Gratuity expense	5,185,034
Staff welfare expenses	6,724,571
Total Employee Benefits Expenses	**164,725,417**

24 FINANCE COST

(Amounts in Rs.)

Particulars	For the period from November 6, 2017 to March 31, 2018
Interest expense	
- on cash credit	3,626,011
- on borrowings	57,064,017
- on schemes	28,648,879
- on loan from Promoters and others	29,716,223
- on others	8,112,928
Others	
- Bank commission charges	4,021,585
Total Finance Cost	**131,189,643**

25 DEPRECIATION AND AMORTIZATION

(Amounts in Rs.)

Particulars	For the period from November 6, 2017 to March 31, 2018
Depreciation on property, plant and equipment	27,459,427
Amortization on intangible assets	212,443
Total Depreciation and Amortization	**27,671,870**

26 OTHER EXPENSES

(Amounts in Rs.)

Particulars	For the period from November 6, 2017 to March 31, 2018
Advertisement expenses	61,806,881
Donations	477,151
Electricity expenses	10,102,792
Directors' sitting fees	250,000
Legal and professional Fees	11,639,423
Rent	32,283,362
Repairs and maintenance	17,871,914
Security services	4,204,166
Sales promotion	6,758,181
Inauguration expenses	587,170
Travelling and conveyance	4,553,941
Rates and taxes	2,170,333
Provision for bad and doubtful debts	7,988,868
LBT Charges	1,194,500
Freight and octroi charges	2,012,717
Interest on statutory payments	435,088
Insurance	1,062,352
Credit card commission	31,344,230
Communication expenses	4,419,902
Payment to auditors	1,550,000
Miscellaneous expenses	5,153,458
Loss on sale of assets	1,032,566
Total Other Expenses	**208,898,994**
Payment to Auditors	
- Statutory audit	1,550,000
- Other services	-

27 EARNINGS PER SHARE

(Amounts in Rs.)

Particulars	For the period from November 6, 2017 to March 31, 2018
Profit attributable to equity shareholders (in Rs.)	260,554,686
Weighted average number of shares outstanding during the period (No.s)	18,393,796
Basic and Diluted Earning per share (in Rs.)	**14.17***

(Nominal value per share Rs 10)
**not annualised*

28. Defined benefit plans

Gratuity:

The Company has an unfunded defined benefit gratuity plan. The Company provides for gratuity for its employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied for the completed number of years of service. The Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

Risk analysis

- *Actuarial Risk*

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:
Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

- *Liquidity Risk*

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cash flows.

- *Market Risk*

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

- *Legislative Risk*

Legislative risk is the risk of increase in the plan liabilities due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and the amounts recognized in the balance sheet for the gratuity plan:
Expense recognized in the Statement of Profit and Loss:

(Amount in Rs.)

Particulars	For the period ended March 31, 2018
Current service cost	3,992,309
Net interest expense	1,255,379
Net benefit expense recognised in the Statement of Profit and Loss	**5,247,688**

Amount recognized in the Statement of Other Comprehensive Income (OCI):

(Amount in Rs.)

Particulars	For the period ended March 31, 2018
Measurement during the period due to:	
Actuarial (gain) / loss arising from change in financial assumptions	(688,678)
Actuarial (gain) / loss arising on account of experience changes	(805,294)
Total Re-measurement cost/(credit) for the period recognised in OCI	**(1,493,972)**

Changes in defined benefit obligation over the period are as follows:

(Amount in Rs.)

Particulars	For the period ended March 31, 2018
Fair value of defined benefit obligation at the beginning of the period	18,049,148
Current Service cost	3,992,309
Net interest expense	1,255,379
Benefits paid	(235,826)
Actuarial (gain) / loss arising from change in financial assumptions	(688,678)
Experience changes	(805,294)
Net value of defined benefit obligation at the end of the period	**21,567,038**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	For the period ended March 31, 2018
Discount rate	7.55%
Salary escalation	5.00%
Retirement age	60 Years

Sensitivity Analysis:

Revised defined benefit obligation over the period shall be as follows:

(Amount in Rs.)

Assumptions	Sensitivity level	For the period ended March 31, 2018
Discount rate	0.5% increase	20,649,575
	0.5% decrease	22,563,417
Salary Escalation	0.5% increase	22,579,116
	0.5% decrease	20,648,086
Withdrawal rate	10% increase	21,775,303
	10% decrease	21,335,634

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contribution to the defined benefit plan in future years:

(Amount in Rs.)

Particulars	As at March 31,2018
Current Liability	2,857,649
Non-Current Liability	18,709,389
Total expected payments	**21,567,038**

The weighted average duration of defined benefit plan obligation:

Particulars	For the period ended March 31, 2018
Weighted average duration of defined benefit plan obligation	10.96 years

29. Employee Stock Option Plan

Pursuant to the approval of the shareholders of the Company at the Extraordinary General Meeting held on March 30, 2018, the Company approved a Stock Option Scheme for its employees called the PNG ESOP 2018 / Plan ("the Scheme"). Under the said Scheme, the Company was authorized to grant upto 1,200,000 equity shares to eligible employees/ directors of the Company. The said stock options would vest in tranches over a period of 5 years as follows:

Period within which options will vest unto the participant	% of options that will vest
End of 24 months from the date of grant of options	20%
End of 42 months from the date of grant of options	30%
End of 60 months from the date of grant of options	50%

30. Making Charges Received

The breakup of income from making charges received from customers in period is as follows:

Particulars	For the period ended March 31, 2018
Gold	763,642,544
Silver and others	35,381,273
Total	**799,023,818**

31. Refund of Public Deposit

The erstwhile partnership firm had accepted fixed deposits from its customers. After registration of the said erstwhile partnership firm as a public limited Company, the Company is not eligible to accept such deposits pursuant to provisions of the Companies Act, 2013. In accordance with the same, the Board of Directors decided to repay the fixed deposits accepted by the erstwhile partnership firm and such deposits were repaid before March 31, 2018.

32. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, the Company is not meeting the applicability ofthe provisions, being the first year of operation. However, a CSR committee has been formed on 30th March 2018 asper the requirement of the Act.

33. Earnings per Equity Share

In accordance with the Indian Accounting Standard -33 on "Earnings per Share" (EPS):

Particulars	For the period ended March 31, 2018
Profit attributable to equity shareholders	260,554,686
Weighted average number of shares outstanding during the period	18,393,796
Basic and Diluted EPS (in Rs.) **(Nominal value per share Rs 10)**	**14.17***

**not annualized*

Basic EPS is calculated by dividing the profit for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The Company currently does not have any dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

The shareholders of the Company have accorded their consent to the following:

1. Issue and allotment of 2,55,000 equity shares of Rs 10 each at a premium of Rs. 340 per share, for cash, through private placement on a preferential basis to the proposed allottees at the Extraordinary General Meeting (EGM) held on March 7, 2018. Such equity shares shall rank pari passu with the existing equity shares of the company in all respect, unless otherwise decided by the Board.

2. Increase in the authorized share capital of the Company from Rs.210,000,000 divided into 21,000,000 equity shares of Rs 10 each, to Rs.300,000,000 divided into 30,000,000 equity shares of Rs 10 each at the EGM held on February 7, 2018. Further, increase in the authorized share capital of the Company from Rs.300,000,000 divided into 30,000,000 equity shares of Rs 10 each, to Rs.600,000,000 divided into 60,000,000 equity shares of Rs 10 each at the EGM held on March 30, 2018.

The Board of Directors of the Company have approved the following in the meeting held on February 3, 2018:
Issue of 20,00,739 equity shares of Rs 10 each, by way of allotment for cash at a premium of Rs 340 per share on rights basis, in the ratio of 1 equity share for every 9 fully paid up equity shares held by existing shareholders of the Company as on February 5, 2018. Such equity shares so issued shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari passu with the existing equity shares of the Company and that the equity shares so allotted during the financial year shall be entitled to dividend, if any, proportionately in the year of the allotment of these shares.

All shareholders of the Company as at February 5, 2018 exercised their right and allotment was made by converting existing liability to equity in the case of the Promoters of the Company, and by way of cash with respect to the other shareholders.

34. Investment Property

The Company's investment property consists of freehold land owned by the Company. The management has determined that the investment property consists of one class of asset based on the nature, characteristics and risks of the property.

The Company does not recognize any amounts in its Statement of Profit and Loss on account of such property. There is no depreciation charged on such investment property since it is in the nature of freehold land. There is no rental income generated or expenses incurred towards such property. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to construct or develop investment properties.

As at March 31, 2018 the fair value of the land is Rs. 28,350,000. These valuations are based on valuations performed by an external independent valuer at the time of acquisition of property.

35. Commitments and contingencies

Commitments

Operating lease commitments - Company as lessee

The Company has entered into operating lease agreements on store premises, with lease terms of three to five years, with specified lock in periods. There are no subleases.

The lease rentals charged during the period are as under:

(Amount in Rs.)

Particulars	For the period ended March 31, 2018
Lease rentals recognised during the period	32,283,362

Future minimum rentals payable under non-cancellable leases are asfollows:

(Amount in Rs.)

Particulars	As at March 31, 2018
Within one year	24,687,094
After one year but not more than five years	32,697,584
More than five years	-

Contingent liabilities

The Company has a contingent liability of Rs.20,633,274 towards income tax matters as at March 31, 2018. The Company is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No expense has been recorded in the financial statements for the above demands raised.

On behalf of the erstwhile partnership firm, the Company is in appeal with the respective government authorities for below mentioned tax proceedings; however such amounts have already been provided for in the books of accounts and therefore are not contingent in nature.

Tax Proceedings

Type of Tax	Amount as at March 31, 2018
Direct -	
Income Tax	1,328,459

Note: The amount stated above is below the materiality policy regarding litigation as defined by the Company.

36. Related Party Disclosures

In compliance with Ind AS-24 – "Related Party Disclosures", as notified under Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

A. Name of related parties

Name	Nature of Relationship
Govind Vishwanath Gadgil (Promoter)	Key Management Personnel
Renu Govind Gadgil (Promoter)	Key Management Personnel
Amit Yeshwant Modak (Chief Executive Officer)	Key Management Personnel
Aditya Amit Modak (Chief Finance Officer)	Key Management Personnel
Gadgil Metals & Commodities	Enterprise owned or significantly influenced by key management personnel or their relatives
Bhide Gadgil Associates	Enterprise owned or significantly influenced by key management personnel or their relatives
Puneet Shares & Finance Private Limited	Enterprise owned or significantly influenced by key management personnel or their relatives
Shree Construction Company	Enterprise owned or significantly influenced by key management personnel or their relatives
Bhide Gadgil Developers	Enterprise owned or significantly influenced by key management personnel or their relatives
Anjali Vishwanath Gadgil	Relative of key management personnel
Govind Gadgil HUF	Enterprise owned or significantly influenced by key management personnel or their relatives

B. **Transactions with related parties:**

Transactions during the period	Amounts (in Rs.)
Govind Vishwanath Gadgil	
Issue of Capital	388,889,200
Sale of goods	6,283
Rent and Maintenance	10,502,000
Repayment of unsecured loan	517,952,454
Interest on unsecured loan	13,687,970
Director remuneration	9,600,000
Security Deposit for shops	13,350,000
Closing Balance (Payable)/Receivable	**(81,111,369)**
Escrow balance (Refer note 44)	**(30,000,000)**
Renu Govind Gadgil	
Issue of Capital	311,111,150
Sale of goods	39,247
Rent and Maintenance	4,012,000
Repayment of unsecured loan	449,791,003
Interest on unsecured Loan	13,056,627
Director remuneration	7,200,000
Security Deposit for shops	5,100,000
Closing Balance (Payable)/Receivable	**(95,153,605)**
Escrow balance (Refer note 44)	**(20,000,000)**
Amit Yeshwant Modak	
Issue of capital	11,243,050
Director remuneration	2,711,371
Deposits received	2,400,000
Deposits repaid	16,700,000
Interest on Deposit	526,559
Sale of Assets	725,000
Advance given/ (received) (net)	(203,131)
Closing Balance (Payable)/Receivable	-
Aditya Amit Modak	
Issue of capital	1,400,000
Salary (Includes salary as employee)	1,655,122
Interest paid on Deposit	93,628
Deposit Repaid	1,240,891
Advance given/ (received) (net)	9,502.00
Closing Balance (Credit)/Debit	-

Transactions during the period	Amounts (in Rs.)
Anjali Vishwanath Gadgil	
Issue of capital	5,250,000
Salary	625,720
Interest on Deposit	1,247,424
Deposit Repaid	20,000,000
Closing Balance (Credit)/Debit (Staff Advance)	**156,080**
Gadgil Metals & Commodities	
Interest on Deposit	284,795
Deposit Repaid	22,500,000
Closing Balance (Credit)/Debit	-

Note: As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial personnel are not included

37. Segment Information:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Board of Directors (BOD), which has been identified as being the Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the segments and assess their performance.

The Company is into jewellery business. The CODM evaluates the Company's performance andallocates resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company as per the requirements of Ind AS 108 "Operating Segments".

Information about geographical areas

The Company has operations only in India, hence there are no separately reportable geographical segments for the Company asper the requirements of Ind AS 108 – "Operating Segments".

Information about major customers

There is no single customer or customer group who accounts for more than 10% of the total revenue of the Company.

38. Hedging activities and derivatives

The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions.

The Company enters into commodity forward contracts to manage its exposure to the variability of cash flows, primarily related to future sales and purchase of commodities.

The Company does not apply hedge accounting on such relationships. As at reporting period, the Company does not have any outstanding exposure in forward and future contracts.

The realized gains (amount) from such derivative transactions are:

(Amount in Rs.)

Particulars	**For the period ended March 31, 2018**
Hedging Mark To Mark Loss / (Gain):	1,395,578

39. Fair Value Measurement

(Amount in Rs.)

Particulars	**As atMarch 31, 2018**	
	FVTPL	**Amortised cost**
Financial Assets		
Investments	7,512,500	-
Fixed deposits (unquoted)	-	1,000,000
Security Deposits	-	52,656,240
Trade receivables	-	16,396,690
Other financials assets	-	86,890,416
Cash and cash equivalents	-	273,397,542
Other bank balance	-	809,778
Total Financial Assets	**7,512,500**	**431,150,666**
Financial liabilities		
Borrowings	-	2,809,901,455
Trade Payables	-	313,941,981
Other financial liabilities	-	34,780,690
Total Financial Liabilities	**-**	**3,158,624,126**

The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts, largely due to the short term nature of these balances.

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

The management assessed that the carrying amounts of its financial instruments are reasonable approximations of fair values.

Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at period end is as under"

Particulars	**Valuation technique**	**Significant unobservable inputs**	**Weighted average cost of equity**	**Sensitivity of the input to fair value**
Perpetual Non-cumulative Preference Shares- The Shamrao Vithal Co-operative Bank	Discounted cash flow method	Weighted average cost of equity	10.25%	*1% increase :* Decrease in fair value by INR 437,392 *1% decrease :* Increase in fair value by INR 476,390

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Level 1 - This hierarchy includes financial instruments measured using quoted prices.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between levels 1 and 2 during the period. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

The following table presents the fair value measurement hierarchy of the Company's financial assets and liabilities as at March 31, 2018:

(Amount in Rs.)

Particulars	Fair value measurement			Total
	Level 1	Level 2	Level 3	
Financial Investments measured at fair value though profit and loss				
Equity Shares in The Shamrao Vithal Co-operative Bank	-	-	2500	2500
Preference Shares in The Shamrao Vithal Co-operative Bank	-	-	7,505,000	7,505,000
Equity Shares in The Vishweshwar Sahakari Bank	-	-	5,000	5,000

40. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans given, investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company's financial risk management policies are set by the Board of Directors. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include deposits, investments, receivables, payables, advances and other financial instruments. Market risk comprises interest rate risk, currency risk and other price risk such as commodity price risk.The sensitivity analysis in the following sections relate to the position as at respective period end.

The following assumption has been made in calculating the sensitivity analysis:
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.This is based on the financial assets and financial liabilities held at each period end.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amount in Rs.)

Period ended	**Increase / (decrease) in basis points**	**Effect on Profit/(Loss) before tax**	**Effect on Other Equity**
March 31, 2018	50	(3,465,396)	(1,243,384)
	(50)	3,465,396	1,243,384

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities on account of purchase of gold. The Company enters into foreign currency futures to minimize the risk.

As at reporting period, the Company does not have any outstanding exposure in or based on foreign currencies.

Since the purchase based on foreign currency rates is negligible to the total purchases the fluctuations in the foreign exchange rate does not have any material impact on the profitability of the Company.

Commodity price risk

The Company is affected by the price volatility of commodities like gold and silver. Its operating activities require the ongoing purchase and sale of these commodities. The Company uses derivative financial instruments to manage risk associated with the commodity price fluctuations. The hedging transaction is mainly done against price risk on exposure of the commodity. All such derivative financial instruments are supported by an underlying stock and are not for speculation / trading.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institution and other financial instruments.

- *Trade receivables*

Customer credit risk is managed by the Company subject to the established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

- *Financial instruments and cash deposits*

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made with banks in terms of fixed deposits and investment in designated mutual funds. Credit risk on cash deposits is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Other investments primarily include investment in liquid mutual fund units of reputed companies where historically, the Company has not incurred any loss due to credit risk.

Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Company's financial and other current liabilities based on contractual undiscounted payments as on March 31, 2018:

(Amount in Rs.)

Particulars	**On Demand**	**Within 1 year**	**1-5 years**	**Total**
Borrowings	2,373,422,838	34,780,690	436,478,617	2,844,682,145
Trade and Other Payables	313,941,981	-	-	313,941,981
Other Current Liabilities	742,216,510	-	-	742,216,510
Total	**3,429,581,329**	**34,780,690**	**436,478,617**	**3,900,840,636**

41. Gold Metal Loan

In September 2015, the Government of India approved the gold monetization plan in the form of revamped Gold Deposit Scheme (GDS) and the Gold Metal Loan (GML) Scheme to mobilize tons of gold stored in households and temples across the country. The Union Cabinet also approved the introduction of Sovereign Gold Bond Scheme, under which gold bonds denominated in grams of gold will be issued to individuals by the Reserve Bank of India (RBI), in consultation with Ministry of Finance.

The Company has an arrangement with the approved banker for lifting gold under metal loan terms against a limit under "price unfixed basis" and opts to fix the price for gold taken under loan within 180 days at delivery.

However, based on business expediencies, the Company fixes the price within 180 days, whenever the price is favorable. The price difference arising out of such transactions are accounted in cost of sales and adjusted accordingly. The interest if any payable to bankers on such outstanding is treated as expenses on accrual basis. Liability if any, as at the period end is treated as trade payables against purchase of gold.

42. Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating in order to support its business activities and maximize brand value.

The Company manages its capital and makes adjustments to it in light of the changes in economic and market conditions. The total equity as at period end is:

(Amount in Rs.)

Particulars	As at March 31, 2018
Share Capital	202,623,390
Other Equity	1,026,423,920
Total Equity	**1,229,047,310**

43. Outstanding dues to micro, small and medium enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:

The erstwhile partnership firm had no reporting requirement to separately disclose amounts unpaid as at the period-end (together with interest paid/payable) to micro, small and medium enterprises as specified under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the period end together with interest paid/payable as required under the said Act have not been given.
The Company has determined dues to Micro, Small and Medium Enterprises on the basis of information collected from its suppliers as follows:

Particulars	As at March 31, 2018
Principal amount remaining unpaid	32,976,443
Interest Due thereon	-

44. Treatment of Partner's Capital in the erstwhile partnership firm on conversion to Company

On conversion from a partnership firm under Chapter XXI of the Companies Act, 2013, fixed capital of the partners as on November 6, 2017 has been taken as the equity share capital of the Company. Current capital of partners has been treated as unsecured loans.

The Company has set aside amounts in Promoters' ESCROW accounts from the total loans outstanding to them as at March 31, 2018 to cover costs for uncertain future liabilities that may arise, if any, pertaining to erstwhile partnership firm.

45. First-time adoption of Ind AS

The Financial Statements of the Company for the period ended March 31, 2018 have been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable.

The Company has voluntarily adopted Ind AS upon incorporation, post conversion from the erstwhile partnership firm.

In preparing these Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

Exemptions applied

- **Property, plant and equipment and Intangibles**

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as 'deemed cost' for all the items of property, plant and equipment and intangible assets.The Company has provided depreciation and amortization based on the estimated useful life of individual asset. Accordingly, the impact on conversion is treated as other income in the financial statements for the period ended March 31, 2018.

- **Embedded lease**

For leases of land and building, the Company has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of adoption of Ind AS on the basis of the facts and circumstance existing as at that date. For the purpose of the financial statements, the Company has continued with the classification of finance and operating leases on the date of adoption.

Exceptions from full retrospective application:

- **Classification and measurement of financial assets**

The Company has classified financial assets on the basis of the facts and circumstances that exist at the date of adoption of Ind AS.

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

The Company has elected to apply the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of adoption.

As per our report of even date
For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

For and on behalf of the Board of Directors of
P. N. Gadgil & Sons Limited
CIN: U36911PN2017PLC173262

Ramesh Pipalawa Partner	**Govind Gadgil** Chairman and Whole-time Director	**Amit Modak** Whole-time Director and Chief Executive Officer	**Aditya Modak** Chief Financial Officer	**Purva Mehra** Company Secretary Membership No. 33796
Membership No. 103840	DIN: 00616617	DIN: 00396631		
Place: Pune	Place: Pune			
Date: April 18, 2018	Date: April 18, 2018			

NOTICE

NOTICE is hereby given that the First Annual General Meeting (AGM) of P. N. GADGIL & SONS LIMITED (the Company) will be held at S. No. 37/1 & 37/2 near Lokmat New Paper, Vadgaon, Khurd, Pune- 411041 on Friday, 27th July, 2018 at 12:30 PM to consider and transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial period ended 31st March 2018 and the reports of the Board of Directors and Auditors thereon.

2. To declare dividend on equity share for the financial period ended 31st March, 2018

3. To appoint a Director in place of Mrs. Renu Govind Gadgil (DIN: 07412955), who retires by rotation and being eligible offers herself for re-appointment.

4. To appoint M/s. Shah and Taparia, Chartered Accountants, Pune (Registration No. 109463W) as Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/S Shah and Taparia, Chartered Accountants (Registration No. 109463W), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the 6th Annual General Meeting, to be held in the year 2023, on such remuneration as may be recommended by the Audit Committee and as may be determined by the Board of Directors."

SPECIAL BUSINESS:

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

"**RESOLVED THAT** pursuant to provisions of Sections 196 and 197 and other applicable provisions of the Companies Act, 2013 (the Act), if any and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Part I of Schedule V of the Act and as per the approval of the Nomination & Remuneration Committee and the Board of Directors and subject to such consent(s), approval(s)and permission(s) and subject to such conditions as may be imposed by any authority (ies), if any while granting such consents, permissions and approvals and as are agreed to by the Board of Directors (hereinafter referred to as the Board which term shall unless repugnant to the context or meaning thereof be deemed to include any committee thereof and any person authorised by the Board in this behalf), the approval of members be and is hereby accorded for payment of remuneration of Rs. 18,58,065/- (Rupees eighteen lacs fifty eight thousand sixty five only) to Mr. Govind Vishwanath Gadgil (DIN 00616617), Director of the Company, within the limits of the aforementioned provisions of the Act, for the services rendered by him since incorporation of the Company till 4th December, 2017.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

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

"**RESOLVED THAT** pursuant to provisions of Sections 196 and 197 and other applicable provisions of the Companies Act, 2013 (the Act), if any and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Part I of Schedule V of the Act and as per the approval of the Nomination & Remuneration Committee and the Board of Directors and subject to such consent(s), approval(s)and permission(s) and subject to such conditions as may be imposed by any authority (ies), if any while granting such consents, permissions and approvals and as are agreed to by the Board of Directors (hereinafter referred to as the Board which term shall unless repugnant to the context or meaning thereof be deemed to include any committee thereof and any person authorised by the Board in this behalf), the approval of members be and is hereby accorded for payment of remuneration of Rs. 13,93,548/- (Rupees thirteen lacs ninety three thousand five hundred forty eight only) to Mrs. Renu Govind Gadgil (DIN 07412955), Director of the Company, within the limits of the aforementioned provisions of the Act, for the services rendered by her since incorporation of the Company till 4th December, 2017.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

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

"RESOLVED THAT pursuant to provisions of Sections 196 and 197 and other applicable provisions of the Companies Act, 2013 (the Act), if any and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Part I of Schedule V of the Act and as per the approval of the Nomination & Remuneration Committee and the Board of Directors and subject to such consent(s), approval(s)and permission(s) and subject to such conditions as may be imposed by any authority (ies), if any while granting such consents, permissions and approvals and as are agreed to by the Board of Directors (hereinafter referred to as the Board which term shall unless repugnant to the context or meaning thereof be deemed to include any committee thereof and any person authorised by the Board in this behalf), the approval of members be and is hereby accorded for payment of remuneration of Rs. 199,895/- (Rupees one lac ninety nine thousand eight hundred ninety five only) to Mr. Amit Yeshwant Modak (DIN 00396631), Director of the Company, within the limits of the aforementioned provisions of the Act, for the services rendered by him since incorporation of the Company till 4^{th} December, 2017.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

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

"**RESOLVED THAT** in partial modification of resolution passed in the Extra Ordinary General Meeting of the Company, held on 12^{th} December, 2017, for approval of the appointment and terms of remuneration of Mr. Govind Vishwanath Gadgil (DIN: 00616617), as Whole time Director of the Company and pursuant to provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, if any, (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Schedule V of the Act and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors and subject to such consent(s), approval(s)and permission(s) of various authorities, the approval of members be and is hereby accorded for revision in the terms of remuneration of Mr. Govind Vishwanath Gadgil, Whole time Director by way of increase in remuneration (which includes salary perquisites performance based rewards / incentives etc) payable to him from an amount not exceeding Rs. 2,40,00,000/- (Rupees Two Crores Forty Lacs) p.a. to an amount not exceeding Rs. 3,00,00,000/- (Rupees Three Crores) p.a., for a period of 3 years, commencing from 01^{st} April 2018, with other terms and conditions of employment as approved at the Extra Ordinary General Meeting of the Company held on 12^{th} December 2017 remain unchanged.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration of Mr. Govind V Gadgil within the aforesaid revised limit of Rs. 3,00,00,000/- (Rupees three crores) with effect from 1^{st} April 2018 to the extent the Board may consider appropriate, at its sole discretion.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Govind V Gadgil, Whole Time Director, the remuneration by way of salary perquisites performance based rewards / incentives etc as mentioned above subject to the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits, as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT Mr. Amit Yeshwant Modak , Whole Time Director & CEO (DIN: 00396631) and Ms. Purva Mehra, Company Secretary of the Company be and are hereby severally authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution."

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

"**RESOLVED THAT** in partial modification of resolution passed in the Extra Ordinary General Meeting of the Company, held on 12th December, 2017, for approval of the appointment and terms of remuneration of Mrs. Renu Govind Gadgil (DIN: 07412955), as Whole time Director of the Company and pursuant to provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, if any, (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Schedule V of the Act and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors and subject to such consent(s), approval(s)and permission(s) of various authorities, the approval of members be and is hereby accorded for revision in the terms of remuneration of Mrs. Renu Govind Gadgil, Whole time Director by way of increase in remuneration (which includes salary perquisites performance based rewards / incentives etc) payable to her from an amount not exceeding Rs. 1,80,00,000/- (Rupees One crore eighty lacs) p.a. to an amount not exceeding Rs. 2,50,00,000/- (Rupees Two crore fifty lacs) p.a., for a period of 3 years, commencing from 01st April 2018., with other terms and conditions of employment as approved at the Extra Ordinary General Meeting of the Company held on 12th December 2017 remain unchanged.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration of Mrs. Renu Govind Gadgil within the aforesaid revised limit of Rs. 2,50,00,000/- (Rupees Two crore fifty lacs) with effect from 1st April 2018 to the extent the Board may consider appropriate, at its sole discretion.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mrs. Renu Govind Gadgil, Whole Time Director, the remuneration by way of salary perquisites performance based rewards / incentives etc as mentioned above subject to the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits, as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT Mr. Amit Yeshwant Modak , Whole Time Director & CEO (DIN: 00396631) and Ms. Purva Mehra, Company Secretary of the Company be and are hereby severally authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution."

Date: 23rd May, 2018
Place: Pune

By Order of the Board

Sd/-
Purva Mehra
Company Secretary
M.No. A33796

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy so appointed need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the registered office of the Company at least 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable. A copy of proxy form has been enclosed herewith.

2. Members desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.

3. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the financial period ending 31st March, 2018 are being sent by e-mail to those Members who have registered their e-mail address with the Company, unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode. The Company requests those Members who have not yet registered their e-mail addresses, to register the same directly with their DP's, in case shares are held in electronic form or with the Company, in case shares are held in physical form.

4. Relevant documents referred to in the Notice, Register of Directors / Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Companies Act 2013 and Register of Contracts maintained under Section 189 of the Companies Act 2013 and other relevant registers and the copies of agreement i.e. Letter of appointment as mentioned in Section 190 are available for inspection by the members at the Registered Office of the Company during normal business hours on working days up to the date of the Annual General Meeting.

5. The Statement relating to special business as mentioned in the Notice pursuant to provisions of Section 102 of the Companies Act, 2013 (the Act) is annexed hereto.

6. The detailed address of venue of meeting with route map and nearest landmark is attached herewith. Pick and drop facility will be available half an hour before and after the conclusion of the meeting from/to the registered office of the Company.

7. Members are requested to notify the Company immediately the changes, if any, in the address in full with the postal area, pin code number, quoting their folio no. to the Company for shares held in physical form and/or to Company's Registrar and Share Transfer Agent, 'LINK INTIME INDIA PRIVATE LIMITED' at 247 Park, C – 101, 1st Floor, L.B.S. Marg, Vikhroli – (West) Mumbai – 400 083 and to their respective Depository Participants (DP) for shares held in electronic form.

8. Members / proxies should carry valid ID proof such as PAN, Voter ID, Passport, Driving License, Aadhar card etc along with duly filled Attendance Slip enclosed herewith for attending the meeting.

9. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company, for admission to the meeting venue.

10. Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on 20th July, 2018.

11. Members may also note that the notice of the 1st Annual General Meeting and the Annual Report will be available on the Company's website **www.pngadgilandsons.com.**

12. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

EXPLANATORY STATEMENT
PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out, in terms of Section 102 of the Companies Act, 2013, all material facts relating to Special Business as mentioned in the accompanying Notice dated 23rd May, 2018:

Item No. 5

Mr. Govind Vishwanath Gadgil is one of the promoters and founder Directors of the Company. The Board of Directors, in its meeting held on 10th November, 2017, approved the remuneration not exceeding Rs. 20,00,000/- to be paid to Mr. Govind Vishwanath Gadgil, the then Director for the services being rendered by him. The Nomination and Remuneration Committee in its meeting held on 23rd May, 2018 approved the payment of such remuneration to the extent of Rs. 18,58,065/- (Rupees eighteen lacs fifty eight thousand sixty five).

As required under Section 196 and 197 of the Companies Act, 2013, members' approval is required by way of an Ordinary Resolution for payment of remuneration to Mr. Govind Vishwanath Gadgil for the services rendered by him since incorporation of the company till 4th December 2017. The remuneration paid to him is within the limits as laid down under the aforesaid provisions of the Act for the financial period ending 31st March, 2018. However, your approval is being sought by way of a Special Resolution.

The relevant disclosures as required in pursuance of Secretarial Standard 2 of (ICSI) have been made in the Annexure 1 to this statement.

The Board recognizes valuable contributions made by Mr. Govind Vishwanath Gadgil for development of the company and therefore recommends the resolution set out in Item no. 05 of the notice for approval by members of the Company.

Except Mr. Govind Vishwanath Gadgil and Mrs. Renu Govind Gadgil, being relative of Mr. Govind Vishwanath Gadgil, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution proposed under item No. 5.

Item No. 6

Mrs. Renu Govind Gadgil is one of the promoters and founder Directors of the Company. The Board of Directors, in its meeting held on 10th November, 2017, approved the remuneration not exceeding Rs. 15,00,000/- to be paid to Mrs. Renu Govind Gadgil, the then Director for the services rendered by her. The Nomination and Remuneration Committee in its meeting held on 23rd May, 2018 approved the payment of such remuneration to the extent of Rs. 13,93,548/- (Rupees thirteen lacs ninety three thousand five hundred and forty eight).

As required under Section 196 and 197 of the Companies Act, 2013, members' approval is required by way of an Ordinary Resolution for payment of remuneration to Mrs. Renu Govind Gadgil for the services rendered by her since incorporation of the company till 4th December 2017. The remuneration paid to her is within the limits as laid down under the aforesaid provisions of the Act for the financial period ending 31st March, 2018. However, your approval is being sought by way of a Special Resolution.

The relevant disclosures as required in pursuance of Secretarial Standard 2 of (ICSI) have been given in the Annexure 1 to this statement.

The Board recognizes valuable contributions made by Mrs. Renu Govind Gadgil for development of the company and therefore recommends the resolution set out in Item no. 06 of the notice for approval by members of the Company.

Except Mrs. Renu Govind Gadgil and Mr. Govind Vishwanath Gadgil, being relative of Mrs. Renu Govind Gadgil, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution proposed under item No. 6.

Item no.7

Mr. Amit Yeshwant Modak is one of the promoters and founder Directors of the Company. The Board of Directors, in its meeting held on 10th November, 2017, approved the remuneration not exceeding Rs. 2,00,000/- to be paid to Mr. Amit Yeshwant Modak, the then Director for the services rendered by him. The Nomination and Remuneration Committee in its meeting held on 23rd May, 2018 approved the payment of such remuneration to the extent of Rs. 1,99,895/- (Rupees One Lac Ninety Nine Thousand Eight Hundred and Ninety Five).

As required under Section 196 and 197 of the Companies Act, 2013, members' approval is required by way of an Ordinary Resolution for payment of remuneration to Mr. Amit Yeshwant Modak for the services rendered by him since incorporation of the company till 4th December 2017. The remuneration paid to him is within the limits as laid down under the aforesaid provisions of the Act for the financial period ending 31st March, 2018. However, your approval is being sought by way of a Special Resolution.

The relevant disclosures as required in pursuance of Secretarial Standard 2 of (ICSI) have been given in the Annexure 1 to this statement.

The Board recognizes valuable contributions made by Mr. Amit Yeshwant Modak for development of the company and therefore recommends the resolution set out in Item no. 07 of the notice for approval by members of the Company.

Except Mr. Amit Yeshwant Modak and Mr. Aditya Amit Modak, Chief Financial Officer being relative of Mr. Amit Yeshwant Modak none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution proposed under item No. 7.

Item No. 08

The Nomination and Remuneration Committee, in its meeting held on 23rd May, 2018 recommended and the Board of Directors in their meeting held on 23rd May, 2018, approved the revision of payment of remuneration of Mr. Govind Vishwanath Gadgil (DIN: 00616617) Whole Time Director of the Company from an amount not exceeding Rs. 2,40,00,000/- (Rupees two crore forty lakh) p.a. to an amount not exceeding Rs. 3,00,00,000/- (Rupees three crores) p.a., with effect from 01st April, 2018, with other terms and conditions of employment remaining unchanged.

The revision in remuneration was approved by the Board based on industry standards, responsibilities handled by the Whole time Director of the Company.

The relevant disclosure as required in pursuance of Secretarial Standard 2 of ICSI and disclosure as per Section II of Part II of Schedule V of the Companies Act, 2013 have been given in Annexure 1 and Annexure 2 respectively.

The draft Agreement i.e. Letter altering terms and conditions of appointment may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act and it will be available for inspection at the registered office of the Company on all working days of the company during business hours up to the date of the Annual General Meeting.

Your Directors recommend the proposed resolution for your approval. The approval of Members is being sought by way of a Special resolution, for increase in remuneration of Mr. Govind Vishwanath Gadgil (DIN: 00616617) Whole Time Director of the Company.

Except Mr. Govind Vishwanath Gadgil and Mrs. Renu Govind Gadgil, being relative of Director, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution proposed under item No. 8.

Item No. 09

The Nomination and Remuneration Committee, in its meeting held on 23rd May, 2018 recommended and the Board of Directors, in its meeting held on 23rd May, 2018, approved the revision of payment of remuneration of Mrs. Renu Govind Gadgil (DIN: 07412955) Whole Time Director of the Company from an amount not exceeding Rs. 1,80,00,000/- (Rupees one crore eighty lakhs) p.a. to an amount not exceeding Rs. 2,50,00,000/- (Rupees two crore fifty lakhs) p.a. with effect from 1st April, 2018., with other terms and conditions of employment remaining unchanged.

The revision in remuneration was approved by the Board based on industry standards, responsibilities handled by the Whole time Director of the Company.

The relevant disclosure as required in pursuance of Secretarial Standard 2 of ICSI and disclosure as per Section II of Part II of Schedule V of the Companies Act, 2013 have been given in Annexure 1 and Annexure 2 respectively.

The draft Agreement i.e. Letter altering terms and conditions of appointment may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act and it will be available for inspection at the registered office of the Company on all working days of the company during business hours up to the date of the Annual General Meeting.

Your Directors recommend the proposed resolution for your approval. The approval of Members is being sought by way of a Special resolution, for increase in remuneration of Mrs. Renu Govind Gadgil (DIN: 07412955), Whole Time Director of the Company.

Except Mrs. Renu Govind Gadgil and Mr. Govind Vishwanath Gadgil, being relative of Mrs. Renu Govind Gadgil none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution proposed under this item.

Date: 23rd May, 2018
Place: Pune

By Order of the Board

Sd/-
Purva Mehra
Company Secretary
M.No. A33796

P. N. GADGIL & SONS 1832

Annexure 1 to Item Nos. 05, 06, 07, 08 and 09 of the Notice

Details of Directors seeking revision in terms of remuneration at the Annual General Meeting
(In pursuance of Secretarial Standard 2 of ICSI)

Sr. No.	Name of Director	Mr. Govind Gadgil	Mrs. Renu Gadgil	Mr. Amit Modak
1.	**DIN**	00616617	07412955	00396631
2.	**Designation**	Chairman and Whole Time Director	Whole Time Director	Whole Time Director and Chief Executive Officer
3.	**Date of Birth**	08/08/1959	13/05/1961	11/05/1960
4.	**Age**	58	57	58
5.	**Nationality**	Indian	Indian	Indian
6.	**Date of first appointment on the Board**	06/11/2017	06/11/2017	06/11/2017
7.	**Change in Designation**	05/12/2017	05/12/2017	05/12/2017
8.	**Shareholding in P. N. Gadgil & Sons Limited**	1,85,18,520 equity shares	1,48,14,815 equity shares	55,372 equity shares
9.	**List of Directorship held in other Companies**	Puneet Shares and Finance Private Limited	Puneet Shares and Finance Private Limited	Puneet Shares and Finance Private Limited
10.	**Qualifications**	F. Y. B. Com	BHMS	B.com, DTL, LLB, PGDIFM
11.	**Experience**	In jewellery business for more than 35 years	In jewellery business for more than 5 years as one of the owners	He has considerable experience as a Financial consultant and acting as intermediary in stock, market for more than 25 years. He worked as head finance and CEO of one of the leading jewellery houses for more than 15 years. He has been involved in day to day operations of the Company and has been responsible for marketing, finance, HR functions, corporate affairs, sales and purchases of the Company
12.	**Terms and Conditions of appointment or re-appointment**	A. Term of appointment: - He will serve as a Whole Time Director for 5 (Five years) from 5th December 2017 up to and including 04th December 2022 B. His remuneration is being sought to be revised from Rs. 2,40,00,000/- p.a. to Rs. 3,00,00,000/- p.a. with an authority to the Board to fix up the remuneration within the aforesaid limit C. His remuneration is being sought to be revised and fixed for the period of 3 (three) years from 1st April 2018 up to and including 31st March 2021, D. He will not be liable to retire by rotation during the tenure of his appointment as Whole Time Director of the Company. E. Subject to the superintendence, control and direction of the Board, he will have the general	A. Term of appointment: - She will serve as a Whole Time Director for 5 (Five years) from 5th December 2017 up to and including 04th December 2022 B. Her remuneration is being sought to be revised from Rs. 1,80,00,000/- p.a. to Rs. 2,50,00,000/- p.a. with an authority to the Board to fix up the remuneration within the aforesaid limit. C. Her remuneration is being sought to be revised and fixed for the period of 3 (three) years from 1st April 2018 up to and including 31st March 2021. D. She will be liable to retire by rotation during the tenure of her appointment as Whole Time Director of the Company. E. Subject to the superintendence, control and direction of the Board, she will have the general control of the business of the Company and she will	A. Term of appointment: - He will serve as a Whole Time Director for 5 (Five years) from 5th December 2017 up to and including 04th December 2022 B. Remuneration not exceeding Rs. 2,00,00,000/- p.a. C. He will be liable to retire by rotation during the tenure of his appointment as Whole Time Director of the Company. D. Subject to the superintendence, control and direction of the Board, he will have the general control of the business of the Company and he will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the

		control of the business of the Company and he will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, he may consider necessary or proper or in the best interests of the Company. F. The term of his employment will forthwith determine if he becomes insolvent or make any composition or arrangement with his creditors or he will cease to be a Director of the Company. G. If he is guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders his retirement from the office of Whole Time Director desirable, the Company may intimate to him, by not less than 30 days notice in writing, about his cessation, he will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice. Kindly refer draft Letter altering terms and conditions of appointment, which is available for inspection at the Registered Office of the Company during business hours on all working days up to the date of the AGM.	be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, she may consider necessary or proper or in the best interests of the Company. F. The term of her employment will forthwith determine if she becomes insolvent or make any composition or arrangement with her creditors or she will cease to be a Director of the Company. G. If she is guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders her retirement from the office of Whole Time Director desirable, the Company may intimate to her, by not less than 30 days notice in writing, about her cessation, she will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice. Kindly refer draft Letter altering terms and conditions of appointment, which is available for inspection at the Registered Office of the Company during business hours on all working days up to the date of the AGM.	ordinary course of such business, he may consider necessary or proper or in the best interests of the Company. E. The term of his employment will forthwith determine if he becomes insolvent or make any composition or arrangement with his creditors or he will cease to be a Director of the Company. F. If he is guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders his retirement from the office of Whole Time Director desirable, the Company may intimate to him, by not less than 30 days notice in writing, about his cessation, he will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice. Kindly refer draft Letter altering terms and conditions of appointment, which is available for inspection at the Registered Office of the Company during business hours on all working days up to the date of the AGM.
13.	**No of Board meetings attended during the financial period**	10	10	10
14.	**Chairman / Member in the Committees of the Board of Companies in which he is a director**	**P. N. GADGIL & SONS LIMITED** : Member of Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Initial public Offer Committee, Borrowing Committee and Stakeholder relationship committee	**P. N. GADGIL & SONS LIMITED** : Member of Borrowing Committee and Internal Complaints Committee	**P. N. GADGIL & SONS LIMITED** : Member of Audit Committee, Corporate Social Responsibility Committee, Initial public Offer Committee, Stakeholder Relationship Committee. Chairman and member of Borrowing Committee
15.	**Relationship with other Directors, manager and other Key managerial personnel of the Company**	Relative of Mrs. Renu Govind Gadgil, Wholetime Director of the Company	Relative of Mr. Govind Vishwanath Gadgil, Chairman and Whole time Director of the Company	Relative of Mr. Aditya Amit Modak, CFO of the Company
16.	**Details of**	The members are being	The members are being	The members are being

	remuneration sought to be paid	approached for - 1. The approval of remuneration of Rs. 18,58,065/- approved by Board of Director on 10th November, 2017. 2. The Approval of revision of remuneration from Rs. 2,40,00,000/- to Rs. 3,00,00,000/- p.a. in compliance with the provisions of Section 197,198 and part I of Schedule V of the Act with a power to Board of Directors to fix up the remuneration within the aforesaid revised limit.	approached for- 1. The approval of remuneration of Rs. 13,93,548/- approved by Board of Director on 10th November, 2017. 2. The Approval of revision of remuneration from Rs. 1,80,00,000/- to Rs. 2,50,00,000/- p.a. in compliance with the provisions of Section 197,198 and part I of Schedule V of the Act with a power to Board of Directors to fix up the remuneration within the aforesaid revised limit.	approached for - The approval of remuneration of Rs. 1,99,895/- approved by Board of Director on 10th November, 2017.
17.	Last drawn remuneration	The Company has paid Rs. Rs. 18,58,065/- for the period commencing from the date of Incorporation to 4th December 2017 as Director of the Company, subject to approval of members The Company has paid Rs. 97,41,935/- for the period commencing from 5th December 2017 to 30th April 2018 as Whole Time Director this works out to Rs. 20,00,000/- per month	The Company has paid Rs. 13,93,548/- for the period commencing from the date of incorporation November 2017 to 4th December 2017 as Director of the Company, subject to approval of members The Company has paid Rs. 73,06,452/- for the period commencing from 5th December 2017 to 30th April 2018 as Whole Time Director this works out to Rs. 15,00,000/- per month	The Company has paid Rs. 1,99,895/- for the period commencing from the date of incorporation to 4th December 2017 as Director of the Company, subject to approval of members The Company has paid Rs. 12,17,104/- for the period commencing from 5th December 2017 to 30th April 2018 as Whole Time Director

Date: 23rd May, 2018
Place: Pune

By Order of the Board

Sd/-
Purva Mehra
Company Secretary
M.No. A33796

ANNEXURE 2 TO THE NOTICE

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 (INCLUDING SECRETARIAL STANDARD – 2 IN RESPECT OF ITEM NO. 08 AND 09 OF THE NOTICE. (The Board does not envisage earning of inadequate profit, however as a matter of abundant precaution the information as given below, is being furnished.)

I. GENERAL INFORMATION –

(1) Nature of Industry:
We are one of the leading and trusted retail jewellery companies in Maharashtra. The legacy of the "P. N. Gadgil" brand traces back over six generations to the year 1832. Prior to the incorporation of our Company in the year 2017, consequent to conversion of the Erstwhile Partnership Firm into the Company, the current business was carried on by our Promoters in the name of such Erstwhile Partnership Firm.

Our offerings include gold jewellery, silver jewellery, idols and other silverware, diamonds and diamond jewellery and other gemstones jewellery and related gift items.

(2) Date or expected date of commencement of Commercial Production: Commercial production commenced in the year 2012 when the Company was a partnership firm in the name of "P. N. Gadgil & Sons". In other words the activities or business continued in the Company after the aforesaid conversion.

(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: **Not applicable**. The Company has been incorporated pursuant to the conversion of the Erstwhile Partnership Firm under Part I of Chapter XXI of the Companies Act, 2013 on November 6, 2017. The Company inherited the running business of the firm and hence the business has been continued after the conversion.

(4) Financial performance based on given indicators:-

Particulars	**From 6th November, 2017 till 31st March, 2018**
Total Income	7,05,49,61,939
Depreciation and amortization expense	2,76,71,870
Total expenses	6,69,97,51,704
Profit before tax	35,52,10,235
Net profit/ Profit after Tax	26,05,54,686
Paid up capital	20,26,23,390

(5) Foreign Investments or collaborations, if any – There is no direct foreign investment and no foreign collaboration in the Company.

II. INFORMATION ABOUT THE APPOINTEES

	Mr. Govind Gadgil **Whole Time Director**	**Mrs. Renu Gadgil** **Whole Time Director**
Background details	Govind Gadgil is the Promoter of our Company and has been a member of our Board since inception. He holds a senior secondary certificate from Maharashtra State Board of Secondary and Higher Secondary Education. He has over 35 years experience in the jewellery business. In the past he was associated with P.N. Gadgil & Sons, in the capacity of a Partner.	Renu Gadgil is the Promoter of our Company and has been a member of our Board since inception. She passed the Licentiate of Court of Examiners in Homeopathy. She has more than 5 years of experience in the jewellery business. In the past, she was associated with P N Gadgil & Sons, in the capacity of a Partner.
Past Remuneration	The Company has paid Rs. Rs. 18,58,065/- for the period commencing from 6th November 2017 to 4th December 2017 as Director of the Company, subject to approval of members The Company has paid Rs. 97,41,935/- for the period commencing from 5th December 2017 to 30th April 2018 as Whole Time Director this works out to Rs. 20,00,000/-	The Company has paid Rs. 13,93,548/- for the period commencing from 6th November 2017 to 4th December 2017 as Director of the Company, subject to approval of members The Company has paid Rs. 73,06,452/- for the period commencing from 5th December 2017 to 30th April 2018 as Whole Time Director this works out to Rs. 15,00,000/-

	per month	per month
Recognition and Awards	-	-
Job profile and his /her suitability	Govind Gadgil was appointed as the Whole-time Director of the Company for a period of five years with effect from 5th December 2017, provides leadership, strategic vision, gives attention for maintaining legacy benefit to the organization and directions to the Company business operations. Considering his vast experience and knowledge of the business in which company operates, the remuneration proposed commensurate with his job profile and is justified.	Renu Gadgil was appointed as the Whole-time Director of the Company for a period of five years with effect from 5th December 2017. She has been involved in day to day operations of the Company and has been responsible for the functions and administration of the Company. She also give pays attention for maintaining legacy benefit to the organization. Considering her vast experience and knowledge of the business in which company operates, the remuneration proposed commensurate with her job profile and is justified.
Remuneration proposed	The remuneration proposed to be paid is provided in **Item No. 08** of the Notice.	The remuneration proposed to be paid is provided in **Item No. 09** of the Notice.
Comparative remuneration profile with respect to industry. Size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his / her origin)	The revised remuneration payable have been benchmarked with the remuneration being drawn by peers in similar capacity in Jewellery Companies of comparable size in the Jewelley industry and has been approved by the Nomination and Remuneration Committee and by the Board of the Company respectively The profile of Mr. Govind Vishwanath Gadgil, his responsibilities, complex business operations, industry benchmark and size of the Company justify the payment of said remuneration. The remuneration payable to **Mr. Govind Gadgil** is in line with the industry standards.	The revised remuneration payable have been benchmarked with the remuneration being drawn by peers in similar capacity in Jewellery Companies of comparable size in the Jewelley industry and has been approved by the Nomination and Remuneration Committee and by the Board of the Company respectively The profile of Mrs. Renu Govind Gadgil, her responsibilities, complex business operations, industry benchmark and size of the Company justify the payment of said remuneration. The remuneration payable to **Mrs. Renu Gadgil** is in line with the industry standards.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	• Spouse of Mrs. Renu Govind Gadgil, Whole Time Director • Mr. Govind Vishwanath Gadgil is a Promoter Chairman and Whole Time Director holding 1,85,18,520 equity shares consisting of 3,37,70,599 of the total paid-up capital of the Company as on 30-04-2018. • Sale of Goods of Rs. 6,283/- to Mr. Govind Vishwanath Gadgil, since incorporation till 31-03-2018 • He has received Rent and maintenance of Rs. 1,05,02,000/- and security deposit of Rs. 1,33,50,000/- from the Company, for providing shops on leave and license basis, since incorporation till 31-03-2018 • Company repaid unsecured loan of Rs. 51,79,52,454/- to Mr. Govind Vishwanath Gadgil since incorporation till 31-03-2018 • Company paid Interest on unsecured loan of Rs. 1,36,87,970/- to Mr. Govind Vihwanath Gadgil since incorporation till 31-03-2018	• Spouse of Mr. Govind Vishwanath Gadgil, Chairman & Whole Time Director • Mrs. Renu Govind Gadgil is a Promoter and Whole Time Director holding 1,48,14,815 equity shares consisting of 3,37,70,599 of the total paid-up capital of the Company as on 30-04-2018. • Sale of Goods of Rs. 39,247/- to Mrs. Renu G Gadgil, since incorporation till 31-03-2018 • She received Rent and maintenance of Rs. 40,12,000/- and security deposit of Rs. 51,00,000/- from the Company, since incorporation till 31-03-2018 for providing shops on leave and license basis. • Company repaid unsecured loan of Rs. 44,97,91,003/- to Mrs. Renu Govind Gadgil since incorporation till 31-03-2018 • Company paid Interest on unsecured loan of Rs. 1,30,56,627/- to Mrs Renu Govind Gadgil since incorporation till 31-03-2018

III. OTHER INFORMATION:

1. Reasons of loss or inadequate profits: Reduction in revenue is primarily due to the following:

   i) The revenue during the period ending 31.03.2018 is majorly contributed for expansion of business, the benefits of which are yet to be accrued to the Company.
   ii) Seasonal fluctuations could have a material adverse effect on our business, financial condition and results of operations.
   iii) Shortage of rainfall may have adverse impact on rural economy and consequently may impact business of the Company.

2. Steps taken or proposed to be taken for improvement:
   The Company is focusing on strengthening its core competency in core retail operations, by optimizing store networks and assures that the demand for our products with end-consumers will continue to grow or that we will be able to continue to develop appealing styles or meet rapidly changing consumer demands in the future. The Company is planning for IPO for the purpose of its expansion needs. The proposed IPO will provide for enough improvement in the turnover and working capital requirements.

3. Expected increase in productivity and profits in measurable terms:

   In addition to steps proposed to be taken for improvement as detailed hereinabove, key focus areas would be increasing top-line, profit maximization, conservation of cash and operational efficiencies. While it is difficult to give precise figures, the above initiatives are expected to improve further the productivity and profitability.

IV. DISCLOSURES:

1. The remuneration package of all the managerial persons are given in the respective resolutions.
2. The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013.

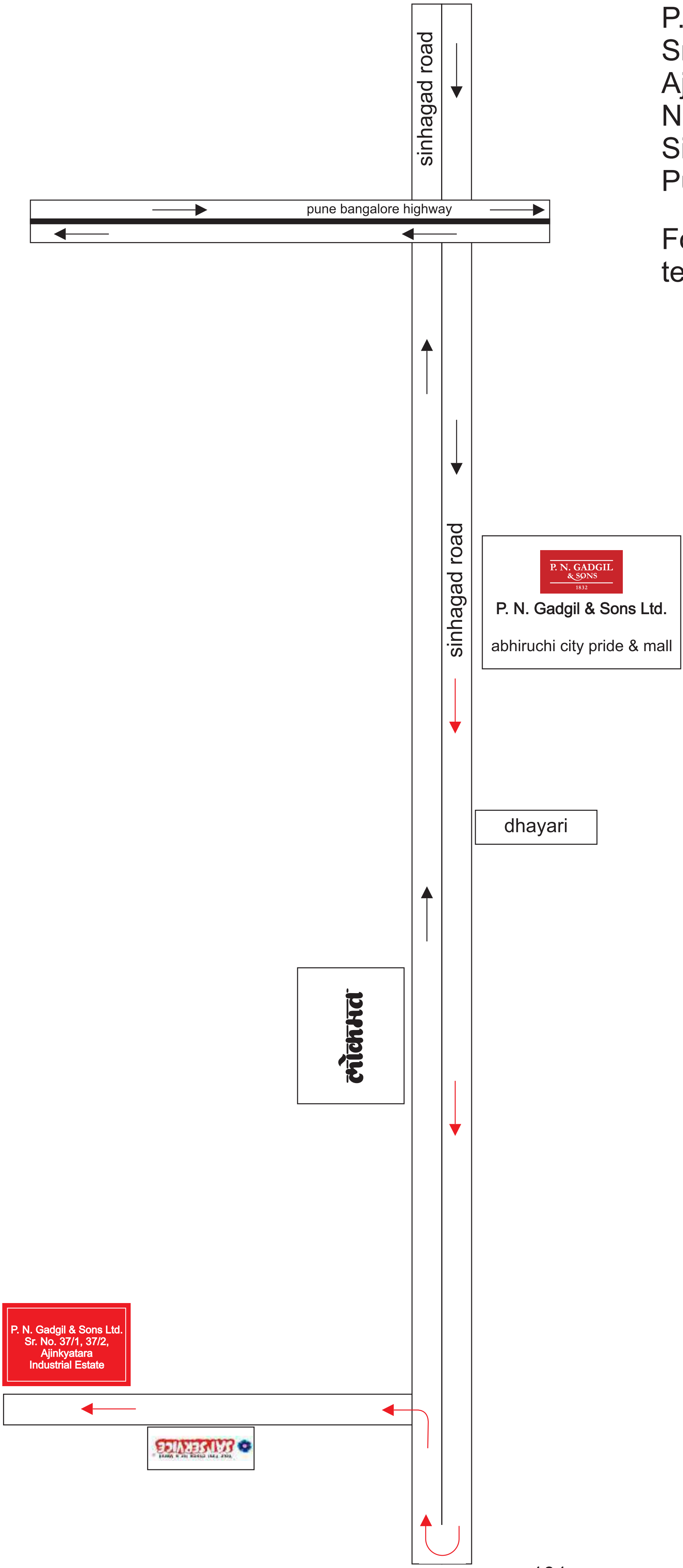
Date: 23rd May, 2018
Place: Pune

By Order of the Board

Sd/-
Purva Mehra
Company Secretary
M.No. A33796

P. N. Gadgil & Sons Ltd.
Sr. No. 37/1, 37/2,
Ajinkyatara Industrial Estate,
Next to Lokmat Press Office
Sinhagad Road, Wadgaon Khurd,
Pune, Maharashtra 411041

For queries, contact us :
tel : 202 - 24612000 / 67520200



P. N. GADGIL & SONS LIMITED
(CIN - U36911PN2017PLC173262)
Regd. Office: Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK),
Sinhgad Road Pune - 411041
Email Id: info@pngadgilandson.com website: www.pngadgilandsons.com
Phone No. – +91 20 24612000 Fax No. – 020 24612185

ATTENDANCE SLIP

[To be presented at the entrance]
Annual General Meeting on Friday, the 27th July, 2018 at 12:30 P.M.
at S. No. 37/1 & 37/2 near Lokmat New Paper, Vadgaon, Khurd, Pune- 411041

Folio No……………………………………….DP ID No………………………..Client ID………………………………….

No. of Shares held …………………………………………………………………………………………………......

Name of the Member …………………………………………..................................Signature……………………………

Name of Proxy Holder…...………………………………………………………….....Signature………………..................

I / We hereby record my / our presence at the Annual General Meeting of the Company held on Friday, 27th July, 2018 at 12.30 P.M. at S. No. 37/1 & 37/2 near Lokmat New Paper, Vadgaon, Khurd, Pune- 411041.

Note:
1. Only Member / Proxy holder can attend the Meeting.
2. Please fill up the attendance slip and hand it over at the entrance of the meeting hall.

P. N. GADGIL & SONS LIMITED

(CIN - U36911PN2017PLC173262)
Regd. Office: Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK), Sinhgad Road Pune - 411041
Email Id: info@pngadgilandson.com website: www.pngadgilandsons.com
Phone No. – +91 20 24612000 Fax No. – 020 24612185

Form No. MGT-11

Proxy form

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

Name of the Member(s):

Registered address:

E-mail Id:

Folio No:

Clint ID/DP ID:

I/ We being the member of …………, holding…..shares, hereby appoint

1. Name:

   Address:

   E-mail Id:

   Signature: or failing him

2. Name

   Address:

   E-mail Id:

   Signature:

as my/our proxy to attend and vote for me/us and on my/our behalf at 1st Annual General Meeting of members of the Company, to be held on Friday, 27th July, 2018 at 12:30 P.M. at S. No. 37/1 & 37/2 near Lokmat New Paper, Vadgaon, Khurd, Pune- 411041 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolution	Vote (For or Against)
Ordinary Business		
1.	Adoption of financial statements	
2.	Declaration of Dividend	
3.	Appointment of Ms. Renu Govind Gadgil as a Director liable to retire by rotation	
4.	Appointment of Statutory Auditors	
Special Business		
5.	Approval for remuneration paid to Mr. Govind Vishwanath Gadgil as Director of the Company from 06.11.2017 till 04.12.2017	
6.	Approval for remuneration paid to Mrs. Renu Govind Gadgil as Director of the Company from 06.11.2017 till 04.12.2017	
7.	Approval for remuneration paid to Mr. Amit Yeshwant Modak as Director of the Company from 06.11.2017 till 04.12.2017	
8.	Approval for revision of remuneration to be paid to Mr. Govind Vishwanath Gadgil, Whole time Director of the Company	
9.	Approval for revision of remuneration to be paid to Mrs. Renu Govind Gadgil, Whole time Director of the Company	

Signed this ………..day of……………. 2018

Affix Revenue Stamp of Re. 1/-

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

Note:

1. **This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.**