

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

The Company is committed to good corporate governance and taking steps for implementing corporate governance norms as prescribed by SEBI. The Company respects the rights of its shareholders to incorporation on the performance of the company and considers itself a trustee of its shareholders.

2. Board of Directors:

▪ **Composition & category of Directors and their other Directorships and Committee Memberships:**

The Board of Directors of the Company is having optimum combination of executive and Non-Executive Directors in compliance of Listing Regulation.

The Board of Directors of the Company comprises Six Members – Two (2) Executive Director and Three (3) Non-Executive and independent Directors and One(1) of Non-Executive Director. The composition of Board of Directors, the number of other Directorships or Board Committees of which he is a Member / Chairman is as under:

Name of Director	Category	Other Directorships/Board Committees	
		Directorships	Board Committee
Mr. Vrajlal Vaghasia	Promoter & Executive Director	1	NIL
Mr. Jitenkumar Vaghasia	Promoter & Executive Director	NIL	NIL
Mr. Kantibhai Devani	Non-Executive & Independent Director	NIL	NIL
Mr. Vinesh Babaria	Non-Executive & Independent Director	NIL	NIL
Mrs. Daxaben J. Vaghasia	Non-Executive & Non-Independent Director(Woman director)	NIL	NIL
Mr. Girishbhai Baldha	Non-Executive & Independent Director	NIL	NIL

- Directorships in other Companies mentioned above exclude Directorships in Private Limited Companies, foreign companies and companies under Section 8 of the Companies Act, 2013.
- While calculating the number of Membership / Chairmanship in Committees of other Companies, Membership / Chairmanship of only Audit Committee and Shareholders' / Investors' Grievance Committee have been considered pursuant to the Listing Regulation. None of the Director is a Member in more than ten Committees and acts as a Chairman in more than five Committees across all companies in which he is a Director.
- Mr. Vrajlal Vaghasia, Mrs. Daxaben J. Vaghasia and Mr. Jitenkumar Vaghasia are relatives of each other.

▪ **Board Meetings:**

Six (6) Board Meetings were held, during the financial year 2016-17, details of Board Meeting are as under:

30th May, 2016	11th August, 2016	14th November, 2016
30th September, 2016	14th February, 2017	10th March, 2017

All the meetings of Board of Directors of the Company are scheduled well in advance and the Board meets at least once in a quarter to review the quarterly performance and the financial results. Agenda of the meeting were prepared and all necessary papers were circulated to Members of the Board in advance. All Members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in the Agenda for discussions.

▪ **Attendance of Directors at the Board Meetings and Last Annual General Meeting:**

Name of Director	Board Meetings Attended	Attendance in AGM (Yes/No)
Mr. Vrajlal Vaghasia	6	YES
Mr. Jitenkumar Vaghasia	6	YES
Mr. Ketanbhai Baldha	6	YES
Mr. Vinesh Babaria	6	YES
Mr. Kantibhai Devani	6	YES
Mrs. Daxaben Vaghasia	3	No

3. AUDIT COMMITTEE:

▪ **Terms of Reference:**

The Audit Committee has been mandated with the same terms of reference specified in Clause 49 II of the Listing Regulations with the Stock Exchange, as revised from time to time and as well as those stipulated by SEBI Guidelines.

Composition:

Presently, the Audit Committee comprises two Non-Executive and Independent Directors (Mr. Ketanbhai Baldha & Mr. Vinesh Babaria) and one Executive Director (Mr. Jitenkumar Vaghasia). Mr. Ketanbhai Baldha is a Chairman of the Audit Committee.

▪ **Meeting and the Attendance during the year 2016-17:**

Four (4) Audit Committee meetings were held during the year 2016-17. The Committee also met prior to finalization of accounts for the year ended on 31st March, 2017. The details of attendance at the Audit Committee meetings is as under:

Name of Director	Designation	No. of Meetings Attended
Mr. Ketanbhai Baldha	Chairman	4
Mr. Vinesh Babaria	Member	4
Mr. Jitenkumar Vaghasia	Member	4

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

4. NOMINATION AND REMUNERATION COMMITTEE:

- The Nomination and Remuneration Committee constitutes with Mr. Ketanbhai Baldha, Mr. Vinesh Babaria and Mr. Kantibhai Devani, all are Non-Executive and Independent Directors. Mr. Ketanbhai Baldha is a Chairman of the Committee. The committee was reconstituted on-----

- The Remuneration Committee recommends to the Board the compensation, terms of Executive Director(s) and its responsibilities include:
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity.
- During the period under review, one Nomination and Remuneration Committee meetings were held respectively on , 10.03.2017

Name of Director	Position	No. of Meetings	Meetings attended
Mr. Ketanbhai Baldha	Non-Executive and Independent Directors	1	1
Mr. Vinesh Babaria	Non-Executive and Independent Directors	1	1
Mr. Kantibhai Devani	Non-Executive and Independent Directors	1	1

The remuneration committee has been constituted to recommend/review the remuneration package of the Managing/ Whole Time Directors based on performance and defined criteria.

DETAILS OF REMUNERATION PAID TO DIRECTORS DURING 2016-17

- The Company paid remuneration to Managing Director and Whole Time Director.
- The Company does not have scheme for grant of stock option to the directors.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholder Relationship Committee, specifically, deals with the matters relating to redressal of shareholder and investor complaints such as transfer of shares, non-receipt of annual report, non-receipt of declared dividend etc.

The Committee comprises of three directors. Mr. Vinesh Babaria is the Chairman of the Committee and Mr. Ketanbhai Baldha and Mr. Jitenkumar Vaghasia are members of the Committee. During the year 2016-17, committee met four times.

During the year under review, the Company has not received any compliant.

6. DETAILS OF GENERAL MEETINGS

- **Annual General Meeting:**

The last three Annual General Meeting of the Company were held within the statutory time period and the details of the same are as under:

Financial Year	Location	Date	Time
2013-2014	Plot No. 119-120, Santej-Vadsar Road, At & Post Santej, Taluka : Kalol, Dist. : Gandhinagar	30 th September, 2014	4.00 P.M.
2014-2015	Plot No. 119-120, Santej-Vadsar Road, At & Post Santej, Taluka : Kalol, Dist. : Gandhinagar	30 th September, 2015	4.00 P.M.
2015-2016	Plot No. 119-120, Santej-Vadsar Road, At & Post Santej, Taluka : Kalol, Dist. : Gandhinagar	30 th September, 2016	4.00 P.M.

- **Extra Ordinary General Meeting:**

During the last three years, No Extra Ordinary General meeting (EGM) was held.

- **Special Resolutions passed during last three years:**

The company has passed the special resolution during the Annual General Meeting of the company in the financial year 2015-16 for the reappoint of Mr. Vrajlal Vaghasia as Managing Director and Mr. Jiten Vaghasia as Whole Time Director

There were no resolutions put through postal ballot last year. There is no business at the ensuing AGM requiring implementation of the postal ballot under the applicable rule.

7. Disclosures:

- Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large. There are no materially significant related party transactions during the Financial Year 2016-17 that may have potential conflict with the interest of the Company at large.
- Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority(ies), on any matter related to capital markets, during the last three years. The company has received notices from BSE Limited for non-submission of various compliances under the Listing Regulations.
- Corporate Governance certificate: The Managing Director of the Company has furnished the requisite certificate to the Board of Directors under Listing Regulation.
- Whistle Blower Policy/ Vigil mechanism: The Company has adopted a Whistle-Blower Policy/ Vigil mechanism, which provides a formal mechanism for all employees of the Company to make protected disclosures to the Management about unethical behavior,

actual or suspected fraud or violation of the Company's Code of Conduct. Disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. No employee of the Company has been denied access to the Audit Committee.

8. Means of Communication:

- Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirement the Listing Regulation.
- No presentation has been made to Institutional Investors or to analysts.
- The Management Discussion and Analysis Report is attached with the Director's report in this Annual Report.

9. Compliance Certificate of the Auditors:

The Certificate from the Auditors of the Company, M/s. S. D. Mehta & Co., Chartered Accountants, Ahmedabad, confirming compliance with the conditions of Corporate Governance as stipulated under Listing Regulation, is attached to the Directors' Report forming part of the Annual Report. This Certificate has also been forwarded to the Stock Exchanges where the securities of the Company are listed.

10. General Shareholder Information:

I. Annual General Meeting

Date and Time : **29th September, 2017 at 4.00 P.M.**
Venue : Plot No. 119-120, Santej-Vadsar Road,
At & Post Santej, Taluka: Kalol,
Dist.: Gandhinagar

II. Financial Calendar (Tentative)

Financial Year : 1st April 2016 - 31st March, 2017
First Quarter Results : Second week of August, 2016
Second Quarter Results : Second week of November, 2016
Third Quarter Results : Second week of February, 2017
Results for the year ending
31st March, 2016 : Last week of May, 2016

III. Book Closure Date : 22th September, 2017 to 29th September, 2017
(Both days inclusive)

IV. Registered Office : Plot No. 119-120, Santej-Vadsar Road,
At & Post Santej, Taluka: Kalol, Dist.: Gandhinagar

V. Dividend Payment Date : No dividend is recommended for the financial year 2016-17

VI. Listing of Equity Shares on Stock Exchange:

Your Company's equity shares are listed on

Sr. No.	Name of Stock Exchange	Address of Stock Exchange
1	The Ahmedabad Stock Exchange Ltd.	Kamdhenu Complex, Opp. Sahajanand College, Ambawadi, Ahmedabad – 380 015

2	The BSE Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001
3	The Saurashtra Kutch Stock Exchange Ltd	Popatbhai Sorathiya bhawan, Sardar Bazar, Rajkot – 360 001
4	Madras Stock Exchange Ltd	No. 30, Second Line Beach, Chennai – 600 001

Annual Listing Fees for the year 2013-14, 2014-15 and 2015-16 have been paid to the BSE. The company is in the revocation procedure, the BSE fees will be paid for the Financial Year 2016-17.

VII. Stock Code:

- a) The Ahmedabad Stock Exchange Limited, Ahmedabad : 39200
- b) The BSE Limited, Mumbai : 517431
- c) The Saurashtra Kutch Stock Exc. Ltd. : Not Available
- d) The Madras Stock Exchange Ltd. : Not Available

VIII. Registrar & Share Transfer Agent:

The Company has appointed M/s. Purva Shareregistry Pvt. Ltd. as the Registrar and Share Transfer Agent for Demat shares w.e.f November, 2011 having their Registered Office at:

Unit no. 9, Shiv Shakti Ind. Estate,
J .R. Boricha marg, Opp. Kasturba Hospital Lane
Lower Parel (E) Mumbai 400 011
Tel: 91-22-2301 6761 / 8261
Fax: 91-22-2301 2517

IX. Share Transfer System:

Trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f. 23rd March, 2001 as per circular issued by the Securities and Exchange Board of India (SEBI).

The transfer of shares in physical form is processed and completed by M/s. Purva Shareregistry Pvt. Ltd., Registrar & Share Transfer Agent, within the statutory stipulated period. In case where shares are held in electronic form, the transfers are processed by CDSL through the Depository Participants and Registrar.

X. Distribution of Shareholding (as on 31st March, 2017):

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	Total No. of Shares Held	% of Shareholding
1-500	2273	82.18	787500	21.74
501-1000	278	10.05	249400	6.88
1001-2000	125	4.52	207200	5.72

2001-3000	44	1.59	117500	3.24
3001-4000	4	0.14	13100	0.36
4001-5000	17	0.61	80700	2.23
5001-10000	11	0.40	78200	2.16
10001 & Above	11	0.51	2089400	57.67
Total	2763	100.00	3623000	100.00

XI. Categories of Shareholding (as on 31st March, 2017):

Category of Holder	No. of Shares	% of Shareholding
Promoters / Persons acting in concert	1654600	45.67
Banks / Institutions / Mutual Funds	48700	1.34
Private Corporate Bodies	84400	2.33
Indian Public	1832500	50.58
NRIs	1500	0.04
Any other – (HUF)	1300	0.04
Total	3623000	100.00

XII. Details on use of public funds obtained in the last three years:

No funds have been raised from the public during the last three years.

XIII. Outstanding GDR / ADRs / Warrants and Convertible bonds, conversion date and likely impact on the equity:

No GDRs / ADRs / Warrants issued by the company.

XIV. Investor Correspondence:

In case any problem or query shareholders can contact at:

Name : Mr. Jiten Vaghasia, Compliance officer
Address : Naramada Macplast Drip Irrigation Limited,
 16/A Parulnagar Society, 1st floor, Bhuyandev Char Rasta,
 Opp. Mahakali Temple, Sola Road, Gathlodia, Ahmedabad - 380061
Phone : +91 9824300528
Email : naramadadrip@gmail.com

Shareholders may also contact Company's Registrar & Share Transfer Agent at:

RTA: PURVA SHAREGISTRY PVT LTD
 Unit no. 9, Shiv Shakti Ind. Estate,
 J .R. Boricha marg, Opp. Kasturba Hospital Lane
 Lower Parel (E) Mumbai 400 011
 Tel: 91-22-2301 6761 / 8261
 Fax: 91-22-2301 2517

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY OVERVIEW:

Overall, the macroeconomic situation in India improved during 2015-16. Also, in view of the Government's commitment to reforms, the economic outlook for FY17 looks positive and a GDP growth of over 8% is expected in FY17 as per the projections of the Government.

OPPORTUNITIES AND THREATS

The rise in the agriculture and infrastructure sectors bode well for the pipe market. The government spends on programmes for safe drinking water; rural sanitation, etc. are expected to generate substantial demand for piping products. Rise in PVC resin prices is the biggest potential threat for the Industry.

FUTURE OUTLOOK

The Company is identifying the various opportunities available with the Company. Looking at the overall scenario of the economic conditions, the company is planning for the maximum utilization of the available resources. The Company expects in raising the demands of the products in which the company is engaged. Thus, the Overall outlook for the coming year looks good and may benefit your company at large.

RISKS AND CONCERNS

The risk associated with the products of the Company is always a cause of concern for the Company. The general risk associated with the competition from large organization as well as from the unorganized and small-scale organizations affects the domestic market to a large extent. Your company is confident of performing better in spite of such business risks.

INTERNAL CONTROL SYSTEMS

The Company does not have any formal internal audit system. The internal policies of the Company ensure efficient use and protection of assets and resources, compliance with policies and reliability of the financial and operational reports. The management is taking steps to introduce the internal audit system commensurate with the size and nature of the business of the company. The Audit Committee of the Board of Directors deals with the adequacy of internal controls and budgeting functions.

FINANCIAL PERFORMANCE

The Company's performance was satisfactory during the year 2015-16.

HUMAN RESOURCES

The Company continued to have cordial and harmonious relations with its employees during the year under review.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis report describing the Company's objective, expectations or predictions may be "forward – looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets, changes.

Annexure to Corporate Governance Report

**DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT BY
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

To the Members of
Narmada Macplast Drip Irrigation Systems Limited

We the undersigned, in our capacities as Managing Director and Whole Time Director of Narmada Macplast Drip Irrigation Systems Limited ("the Company"), to the best of our knowledge and belief certify that:

1. We have reviewed the financial statement and the cash flow statement for the financial year ended 31st March, 2017 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We further state that to best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a. significant changes, if any, in internal control over financial reporting during the year;
 - b. significant changes, if any, in accounting policies during the quarter and that the same have been disclosed in notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Ahmedabad

Date : 10th August, 2017

Managing Director

Whole Time Director

Independent Auditor's Certificate on Corporate Governance

To the Members of
Narmada Macplast Drip Irrigation Systems Limited

We, M/s. S. D. Mehta & Co., Chartered Accountants, the Statutory Auditors of Narmada Macplast Drip Irrigation Systems Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY:

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY:

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION:

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.

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

For, S. D. Mehta & Co.
Chartered Accountants
F.R. No. 137193W

Date: 10th August, 2017
Place: Ahmedabad

Shaishav Mehta
Partner
M. No. 32891