

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
KKALPANA INDUSTRIES (INDIA) LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **KKALPANA INDUSTRIES (INDIA) LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement.
5. 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 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 financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
 - (b) in the case of the Statement of Profit & Loss, of the profit for the year ended on that date.
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act, based on the comments in the auditor's report, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

9. As required by Section 143(3) of the Act, we report, to the extent applicable that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit,
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received,
 - (c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account and with the returns;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Director, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to other matters to be included in the Auditors' 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 positions in its financial statements in accordance with the generally accepted accounting practice – also refer Note 26 to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Protection Fund by the Company.

FOR B. MUKHERJEE & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 302096E

B. MUKHERJEE
PARTNER
(Membership No. 002941)

Place: Kolkata
Date: 27th June, 2015

Annexure to the Independent Auditors' Report

(Referred to in paragraph 8 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

- (i) **In respect of its Fixed assets:**
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) **In respect of its Inventory:**
 - (a) As explained to us, the inventories other than material lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) **In respect of Loans Taken or Granted:**

The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iv) In respect of Internal Control Procedure:

In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) In respect of Deposits:

According to the information and explanations given to us, the Company has not accepted any deposit during the year and accordingly the question of complying with section 73 and 76 of the Companies Act 2013 does not arise. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Companies Act. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.

(vi) In respect of Cost Records:

We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of whether the company is regular in depositing its Statutory dues:

According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:

- (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable with the appropriate authorities.
- (b) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

(viii) In respect of Accumulated Profit/ Loss:

The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(ix) In respect of Loans from Bank/ Financial Institutions:

According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or to debenture holders during the year.

(x) In respect of Guarantee for Loans taken by other:

In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company.

(xi) In respect of Term Loans Obtained:

In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xii) In respect of any Frauds on or by the Company:

To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.

Place: Kolkata
Date: 27th June, 2015

FOR B. MUKHERJEE & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 302096E

B. MUKHERJEE
PARTNER
(Membership No. 002941)

BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in Lacs)

	Note	As at March 31st, 2015		As at March 31st, 2014	
EQUITY AND LIABILITIES					
Shareholder's Funds					
Share Capital	2	1,881.46		1,881.46	
Reserve and Surplus	3	21,318.51	23,199.97	21,209.79	23,091.25
Non-current liabilities					
Long-term borrowings	4	11,136.40		16,751.56	
Deferred tax liabilities (Net)	5	1,897.12		1,856.99	
Long-term provisions	6	3.24	13,036.76	23.65	18,632.19
Current liabilities					
Short-term borrowings	7	26,268.13		24,833.72	
Trade payables	8	6,052.84		8,438.85	
Other current liabilities	9	12,676.32		6,886.80	
Short-term provisions	10	(26.24)	44,971.05	263.49	40,422.86
TOTAL			81,207.78		82,146.30
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	11	16,743.94		17,960.38	
Intangible assets		17.94		35.02	
Capital work-in-progress		1,544.79	18,306.66	14,354.13	32,349.53
Non-current investments	12	253.60		253.60	
Long-term loans and advances	13	353.76	607.36	268.66	522.26
Current assets					
Inventories	14	12,939.56		13,345.15	
Trade receivables	15	23,653.63		27,043.75	
Cash and Bank Balances	16	3,654.39		2,053.30	
Short-term loans and advances	17	18,797.23		3,277.95	
Other current assets	18	3,248.97	62,293.77	3,554.37	49,274.51
TOTAL			81,207.78		82,146.30

Significant accounting policies 1

The accompanying notes are an integral part of the financial statement.

This is the Balance Sheet referred to in our report of even date.

For **B. Mukherjee & Co.**
Chartered Accountants
Firm Registration No:302096E

B. Mukherjee
Partner
Membership No.002941
Date : 27th June, 2015
Place : Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN 00060127)
Chairman and Managing Director

A. B. Chakrabarty
(Membership No. FCS7184)
Company Secretary

Rajesh Kumar Kothari
(DIN 02168932)
Whole Time Director

Indar Chand Dakalia
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

	Note	Year Ended March 31st, 2015	Year Ended March 31st, 2014
INCOME			
Revenue from operations	19	185,028.40	136,692.70
Less: Excise duty		13,710.26	13,436.13
Revenue from operations (net)		171,318.14	123,256.57
Other Income	20	1,607.67	1,301.96
Total Revenue		172,925.81	124,558.53
EXPENSES			
Cost of materials consumed	21	157,910.56	107,008.23
Changes in inventories of finished goods	22	(4,830.69)	(106.28)
Employee benefits expense	23	2,084.54	1,670.40
Finance costs	24	3,578.94	3,853.78
Depreciation and amortization expense		2,137.89	1,522.78
Less: Depreciation on amount added on revaluation		14.48	14.48
Other expenses	25	8,780.86	7,814.97
Total expenses		169,647.62	121,749.39
Profit before exceptional and extraordinary items and tax		3,278.19	2,809.14
Exceptional & extraordinary items			
Loss On Impairment of Assets		241.48	-
Loss On Assets Destroyed by Fire		2,230.19	-
Profit before tax		806.52	2,809.14
Tax expense:			
Current Tax Expenses		161.37	588.81
Deferred Tax		203.82	271.90
		365.20	860.71
Profit for the year		441.33	1,948.43
Earnings per equity share: (Refer note no.28)		Rs.	Rs.
Basic		2.35	10.36
Diluted		2.35	10.36

Significant accounting policies 1

The accompanying notes are an integral part of the financial statement.

This is the Statement of Profit & Loss referred to in our report of even date.

For **B. Mukherjee & Co.**
Chartered Accountants
Firm Registration No:302096E

B. Mukherjee
Partner
Membership No.002941
Date : 27th June, 2015
Place : Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN 00060127)
Chairman and Managing Director

A. B. Chakrabarty
(Membership No. FCS7184)
Company Secretary

Rajesh Kumar Kothari
(DIN 02168932)
Whole Time Director

Indar Chand Dakalia
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

	Year Ended March 31st, 2015		Year Ended March 31st, 2014	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extra Ordinary Items		3,278.19		2,809.14
Add: Depreciation	2,137.88		1,522.78	
Loss on sale of Fixed Assets	19.74		7.76	
Finance Costs	3,578.94	5,736.56	3,853.78	5,384.32
		9,014.75		8,193.46
Less: Interest Income	197.67		256.50	
Revaluation Reserve	14.48		14.48	
Effect of Transitional Provision	319.02		-	
Change in Foreign Currency Translation Difference	0.87		266.95	
		532.04		537.93
Operating Profit before Working Capital Changes		8,482.71		7,655.53
Adjustment for:				
Trade and Other Receivables	1,263.24		(2,350.53)	
Inventories	405.59		(1,106.03)	
Trade payables and other liabilities	3,219.42	4,888.25	852.79	(2,603.77)
Cash Generated before Extra Ordinary Items		13,370.96		5,051.76
Extra Ordinary Items		-		-
Cash Generated from Operations		13,370.96		5,051.76
Direct Tax paid (net of refunds)		186.96		(603.53)
Net Cash Generated from Operating Activities (A)		13,184.00		4,448.23
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of tangible/intangible assets/Assets destroyed by fire		(3,718.02)		(7,341.87)
Sale of fixed assets		27.13		50.00
Interest Received		131.83		255.23
Net Cash Generated from Investing Activities (B)		(3,559.06)		(7,036.64)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings		(5,615.16)		(1,028.55)
Short Term Borrowings (net)		1,434.40		7,538.30
Interest Paid		(3,578.94)		(3,853.78)
Dividend Paid (Including Tax on Dividend)		(264.15)		(259.61)
Net Cash Generated from Financing Activities (C)		(8,023.84)		2,396.77

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

	Year Ended March 31st, 2015	Year Ended March 31st, 2014
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	1,601.09	(192.06)
Cash and Cash equivalents at the beginning of the year	2,053.30	2,245.36
Cash and Cash equivalents at the end of the year	3,654.39	2,053.30

NOTES:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India
- Previous Year's figures have been regrouped where necessary to conform to the current year's classification.
- Cash and cash equivalents comprise of:

<i>Cash on Hand</i>	94.82	77.97
Balances with scheduled banks:		
- <i>In Current Accounts</i>	1,745.10	912.07
- <i>In EEFC Accounts</i>	58.80	53.19
- <i>In Margin & Guarantee Deposit Accounts*</i>	1,695.31	949.68
- <i>In Unpaid Dividend Account*</i>	60.36	60.39
	3,654.39	2,053.30

* Balances not available for use by the Company

This is the Cash Flow Statement referred to in our report of even date.

For **B. Mukherjee & Co.**
Chartered Accountants
Firm Registration No:302096E

B. Mukherjee
Partner
Membership No.002941
Date : 27th June, 2015
Place : Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna (DIN 00060127) Chairman and Managing Director	Rajesh Kumar Kothari (DIN 02168932) Whole Time Director
A. B. Chakrabarty (Membership No. FCS7184) Company Secretary	Indar Chand Dakalia Chief Financial Officer

Notes to the Financial Statements for the year ended 31st March, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

ii) Use of Estimates

The preparation of Financial Statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the Financial Statement and the result of the operations during the reporting year end. Although these assumptions are made as per the Management's best knowledge of current events and actions, actual result may differ from these estimates.

iii) Tangible Fixed Assets

Fixed Assets including capital work in progress are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use.

Pre-operation expenses including trial run expenses (net of revenue) are capitalised. Net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

A devastating fire broke out at Company's Flexible Packaging Unit at Dankuni, West Bengal on 19th October, 2014. This resulted in huge loss of Assets and Records inside the premises of the unit. The factory was adequately covered under the Insurance Policy no.2116/53763258/00/000 (IAR) dt. 9/01/2014 of M/s. Universal Sompo General Insurance Co. Andheri (East), Mumbai, for a sum insured of Rs.143.94 Cr. A claim has been lodged to the Insurance company vide claim no.CL14041672 and the latest claim amount provisionally recognised at Rs. 134.77 CR . Accordingly an amount of Rs. 24.72 Cr (including loss on impairment of assets of Rs. 2.41 Cr) has been estimated and recognised by the management as Extraordinary loss in the Quarter ended 31st March 2015. However the claim is not yet freezed by the Insurance Company, therefore any differences between final claim and estimated settled amount will be dealt with in the year of receipt.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

The Assets which are intended for sale and to be realised within one year are treated as Current Assets.

iv) Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment loss, if any.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

v) Depreciation and Amortisation

Depreciation includes amortisation. Depreciation on Tangible Fixed Assets has been provided as prescribed under Schedule II of the Companies Act, 2013 on prorata basis with reference to the date of addition. An

Notes to the Financial Statements for the year ended 31st March, 2015

amount of Rs. 482.71 lacs (consolidated) has been adjusted from retained earnings as per the transitional provision provided under Schedule II of Companies Act, 2013. Given below the number of years which has been considered for providing depreciation.

Particulars	Years
Factory Building	30
Plant & Machinery	25
Electrical Installation	10
Lab Equipments	10
Furniture & Fixture	10
Motor Car	6
Air Conditioner	15
Scooter, Moped & Cycle	10
Office Equipment	5
Computer	3

Useful life of the Plant and Machinery has been considered 25 years as against 15 years as prescribed in schedule II of the Companies Act, 2013 which is based on the prevailing practices of comparable industries and our past experience for the last 29 years.

Technical Know How and Computer Software is amortized over a period of 10 years.

vi) Impairment of Tangible and Intangible Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

vii) Revenue Recognition:

Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, and includes raw material sales & remission of Central Sales Tax and Vat Amount. Jobs charges is recognised as per terms of contract. Sales includes amounts recovered towards excise duty. Revenue from sale of scrap is recognised as and when scrap is sold.

Other income and expenditure are recognised and accounted on accrual basis except Export incentives which are recognised as and when received.

viii) Foreign currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

All items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, the same are carried to Reserve & Surplus under "Foreign Currency items Translation Difference Account" and will be amortized over a period of years as per "Accounting Standard-11"

ix) Financial Derivatives Hedging Transactions

In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement are recognised in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets. Derivatives contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statements.

Notes to the Financial Statements for the year ended 31st March, 2015

x) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long Term Investments are stated at cost less written down for any diminution, other than temporary, in carrying value. Current investments are stated at lower of cost and quoted value.

xi) Inventories

Raw materials and Stores & Spareparts: Inventories are valued at cost or net realisable value whichever is lower. Cost is determined by using the Weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Finished Goods: Inventories are valued at lower of cost and net realisable value. Finished goods include cost of conversion and other cost incurred for bringing the inventories to their present location and condition.

xii) Retirement and other Employee Benefits

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

Contribution towards provident funds are recognised as expenses and are made to government administered provident fund towards which the Company has no further obligations beyond its monthly contribution. Liability towards gratuity, covering eligible employees on the basis of year-end actuarial valuation is recognised as a charge.

Accrued liability towards leave encashment benefits, covering eligible employees' is recognised as charge. Contribution to Central Government administered Employees' State insurance Scheme for eligible employees is recognised as charge. Super Annuation benefit scheme is not existing in the company at present.

xiii) Borrowing Cost

Borrowing cost that are directly attributable to acquisition and construction of qualifying asset are capitalised as part of the cost of such asset upto the date the asset is put to use. All other borrowing cost are charged to revenue on accrual basis unless otherwise stated.

xiv) Current and deferred tax

Provision for current income tax is made in accordance with the provisions of the Income-tax Act, 1961. Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

xv) Provisions and Contingent Liabilities

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

xvi) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period after deducting any attributable tax thereto for the period 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 is adjusted for the effects of all dilutive potential equity shares.

Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at March 31st, 2015	As at March 31st, 2014
2. SHARE CAPITAL		
Authorised		
3,06,00,000 (Previous Year : 3,06,00,000) Equity Shares of Rs 10/-each	3,060.00	3,060.00
Issued, Subscribed & Paid Up		
1,88,14,586 ((Previous Year : 1,88,14,586) Equity Shares of Rs 10/- each	1,881.46	1,881.46
	1,881.46	1,881.46

i) Terms/ Rights attached to Equity Shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion of their shareholding.

ii) Reconciliation of the number of shares**Equity Shares:**

	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	18,814,586	1,881.46	18,814,586	1,881.46
Add: Shares Issued during the year	Nil	-	-	-
Less: Shares bought back	Nil	-	-	-
Balance as at the end of the year	18,814,586	1,881.46	18,814,586	1,881.46

iii) Details of equity shares held by shareholders holding more than 5% shares:

<u>Name of Share Holder</u>	<u>Number of Shares</u>	<u>% holding</u>	<u>Number of Shares</u>	<u>% holding</u>
Sriram Financial Consultants Pvt. Ltd	8,957,034	47.61%	8,957,034	47.61%
Shyambaba Trexim Pvt. Ltd.	3,110,336	16.53%	3,110,336	16.53%
Subh Labh Vintrade Pvt. Ltd	1,550,000	8.24%	1,550,000	8.24%
Inbara Holdings Pvt. Ltd	1,450,000	7.71%	1,450,000	7.71%

iv) Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date:

Number of Equity Shares of ₹ 10/- each allotted as fully paid up pursuant to contract (Scheme of Amalgamation/ Arrangements) without payment being received in Cash	5,214,586	5,214,586
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Notes to the Financial Statements for the year ended 31st March, 2015

	(₹ in Lacs)			
	As at		As at	
	March 31st, 2015		March 31st, 2014	
3. RESERVE AND SURPLUS				
Capital Reserve (Balance as per last account)		12.91		12.91
Securities Premium Account (Balance as per last account)		5,322.45		5,322.45
Amalgamation Reserve (Balance as per last account)		840.05		840.05
Foreign Currency Monetary Item Translation Difference Account				
Balance as per Last Account	(266.95)		-	
Exchange Gain/(Loss) during the year	(186.03)		(311.45)	
Ammortization during the year	186.90	(266.08)	44.49	(266.95)
Revaluation Reserve				
Balance as at the beginning of the year	182.77		197.25	
Less: Depreciation arising out of revaluation	14.48	168.29	14.48	182.77
General Reserve				
Balance as at the beginning of the year	3,400.00		2,943.18	
Add: Transfer from Surplus in Statement of Profit and Loss during the year	-	3,400.00	456.82313	3,400.00
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year	11,718.56		10,491.09	
Add: Adjustment for Depreciation as per Schedule II of Companies Act 2013.	(482.71)		-	
Add: Adjustment for Deferred Tax	163.69		-	
Add: Profit for the year	441.35		1,948.43	
	11,840.90		12,439.52	
Less: Appropriation				
Proposed Dividend on Equity Shares	-		225.78	
Tax on Proposed Dividend	-		38.37	
Transferred to General Reserve	-	11,840.90	456.82	11,718.56
		<u>21,318.51</u>		<u>21,209.79</u>
4. LONG TERM BORROWINGS				
Secured	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>	<u>Current</u>
Term Loan from Banks	9,082.75	8,454.67	14,938.17	5,180.12
Vehicle Loan	103.36	14.11	28.93	7.03
Unsecured				
Other Loans	1,950.29		1,784.45	
	<u>11,136.40</u>	<u>8,468.78</u>	<u>16,751.56</u>	<u>5,187.15</u>

Notes to the Financial Statements for the year ended 31st March, 2015

i) Terms of repayment of long-term borrowings are as follows: (₹ in Lacs)

Term Loans from Banks

- a) USD 1.25 million equivalent to ₹ 719.87 lacs (31.03.2014: USD 3.75 million equivalent to ₹ 2056.87 lacs) loan is secured by exclusive charge on immovable assets of Bhasa Unit in Kolkata and Silvassa Unit-I, Exclusive charge on all movable fixed assets of Kandua Unit, Kolkata, Exclusive charge on all movable assets of Bhiwadi Unit. and is repayable in 16 equal quarterly installments; the next installment is due on 30th May, 2015.
- b) USD 11.28 million equivalent to ₹ 6411.37 lacs (31.03.2014: USD 16.03 million equivalent to ₹ 8893.47 lacs) loan is secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Surangi Unit and all present and future movable properties located at Daman & Falta Unit. and is repayable in 16 equal quarterly installments; the next installment is due on 20th April, 2015 and Rupee term loan ₹ 550 lacs loan is secured by 1st pari passu charge by way of equitable mortgage over all present.
- c) USD 4.48 million equivalent to ₹ 2802.02 lacs (31.03.2014: USD 4.48 million equivalent to ₹ 2690.54 lacs), EURO 3.41 million equivalent to ₹ 2266.65 lacs (31.03.2014: EURO 3.41 million equivalent to ₹ 2814.91 lacs) and Indian rupee loan amounting ₹ 4787.50 lacs (31.03.2014: ₹ 3662.50 lacs) is secured by pari passu charge on movable and immovable assets of Dankuni Unit in Kolkata and is repayable in 16 equal quarterly installments; the next installment is due on 27th April, 2015.

Term Loan from Others

- a) Indian rupee loan amounting ₹ 117.47 lacs (31.03.2014: ₹ 36.96 lacs) is secured by Hypothecation against Motor Car and repayable in 60 equal monthly installments.

	As at March 31st, 2015	As at March 31st, 2014
5. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability		
Related to Fixed Assets	1,897.12	1,856.99
Net Deferred tax liability	<u>1,897.12</u>	<u>1,856.99</u>
6. LONG-TERM PROVISIONS		
Provision for employee benefits:		
Provision for gratuity (net)	3.24	23.65
	<u>3.24</u>	<u>23.65</u>
7. SHORT-TERM BORROWINGS		
Secured		
Loan repayable on demands	26,268.13	23,333.72
From Banks*		
Unsecured		
Short term loan from Bank	-	1,500.00
	<u>26,268.13</u>	<u>24,833.72</u>

* Includes Buyers Credit and Packing Credit

Notes to the Financial Statements for the year ended 31st March, 2015

- i) Working Capital Loans from Banks are secured by way of hypothecation of stocks of raw materials, work-in-progress, finished goods, stores & spares and book debts of the Company. Mortgage of Flat located at D-403, Dharam Palace, CHS limited, Shantivaan, Borivalli (E), Mumbai-400066, on First Pari-passu basis. These loans are further secured by a second charge over the residual value on the Fixed assets of the units both present and future located at the Dabhel Industrial area, Daman.

(₹ in Lacs)

	As at March 31st, 2015	As at March 31st, 2014
8. TRADE PAYABLES		
Acceptances - Secured (Refer Note (i) below)	200.00	1,499.44
Sundry Creditors (Refer Note (ii) & (iii) below)	5,852.84	6,939.41
	<u>6,052.84</u>	<u>8,438.85</u>
i) Secured by way of hypothecation of stocks & book debts in favour of the company's bankers		
ii) <u>Sundry Creditors:</u>		
Sundry creditors for goods	5,074.34	6,092.84
Sundry creditors for expenses	778.50	846.57
	<u>5,852.84</u>	<u>6,939.41</u>
iii) The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Act 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act has not been given.		
9. OTHER CURRENT LIABILITIES		
Current maturities of Long term debt (Refer Note No.4)	8,468.78	5,187.14
Unpaid Dividend (Refer Note (i) below)	60.36	60.39
Statutory dues including provident fund and tax deducted at source	44.71	139.68
Creditors for Capital Expenditure	586.20	292.32
Advance from customers	22.54	140.86
Other Liabilities	3,493.73	1,066.41
	<u>12,676.32</u>	<u>6,886.80</u>
i) There are no amounts due for payment to the Investor Education and Protection Fund Under Section 205C of the Companies Act, 1956 as at the year end.		
10. SHORT- TERM PROVISIONS		
Provision for taxation (Net of tax payments)	(26.24)	(0.65)
Provision for proposed dividend on equity shares	-	225.78
Provision for tax on proposed dividends	-	38.37
	<u>(26.24)</u>	<u>263.49</u>

Notes to the Financial Statements for the year ended 31st March, 2015**NOTE - 11****FIXED ASSETS**

(₹ in Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2014	Addition during the year	Sales/ Disposals	As at 31-03-2015	As at 01-04-2014	For the year	Sales/ Disposals	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
TANGIBLE ASSETS:										
Free hold land	2,814.48	129.57	-	2,944.05	-	-	-	-	2,944.05	2,814.48
Factory Building	7,662.50	2,568.13	2,341.46	7,889.17	947.25	281.83	31.22	1,197.86	6,691.32	6,715.26
Plant & Machinery	14,772.85	11,170.24	11,098.58	14,844.51	5,254.36	1,487.31	315.54	6,426.13	8,418.38	9,518.49
Furniture & Fixture	166.34	106.57	95.65	177.26	59.44	17.17	3.78	72.82	104.44	106.90
Motor Car	340.57	107.31	20.99	426.89	163.04	54.18	11.11	206.10	220.79	177.53
Scooter, Moped & Cycle	4.22	-	-	4.22	3.39	0.15	-	3.54	0.68	0.83
Laboratory Equipment	225.97	225.94	223.78	228.14	133.25	19.49	9.12	143.62	84.52	92.72
Electrical Installation	2,066.78	1,019.29	954.55	2,131.52	596.91	225.12	36.42	785.61	1,345.91	1,469.87
Office Equipment	112.66	27.17	21.17	118.67	76.68	14.78	0.91	90.55	28.12	35.99
Air Conditioner	44.59	12.00	10.11	46.48	16.28	2.66	0.28	18.66	27.82	28.31
Computer	128.18	38.31	41.42	125.07	99.02	16.71	5.55	110.17	14.90	29.16
Total	28,339.14	15,404.55	14,807.70	28,935.99	7,349.59	2,119.40	413.95	9,055.05	19,880.94	20,989.55
Tangible Fixed Assets (Intended for sale to be realised within 1 Year)									3,137.00	3,508.24
Total (A)	28,339.14	15,404.55	14,807.70	28,935.99	7,349.59	2,119.40	413.95	9,055.05	16,743.94	17,481.31
INTANGIBLE ASSETS:										
Technical Knowhow	40.90			40.90	24.54	12.27		36.81	4.09	16.36
Computer Software	31.16	1.09		32.25	12.19	6.21		18.40	13.85	18.97
Total (B)	72.05	1.09	-	73.14	36.72	18.48	-	55.20	17.94	35.33
Depreciation transferred to CWIP (C.)										3.94
Total(A+B-C)	28,411.19	15,405.64	14,807.70	29,009.13	7,386.32	2,137.88	413.95	9,110.25	16,761.88	17,512.69
Amount adjusted in Retained Earnings as per Schedule II of Companies Act 2013.										482.71
Previous Year	26,220.79	2,264.97	74.57	28,411.19	5,398.95	1,522.78	16.81	6,907.54		17,995.40
Capital Work-in-Progress									1,544.79	14,354.13

i) There was an impairment loss on Fixed Assets amounting to ₹ 241.48 Lacs on the basis of review carried out by management in accordance with Accounting Standard issued by the Institute of Chartered Accountants of India.

Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

12. NON-CURRENT INVESTMENTS	Face Value ₹	As at March 31st, 2015		As at March 31st, 2014	
		No. of Shares	Amount	No. of Shares	Amount
A) Trade investments					
i) Investments in Equity instruments of other entities					
Quoted					
Kkalpana Plastick Limited (Formerly Kalpena Plastiks Limited)	10/-	2,002,920	200.29	2,002,920	200.29
B) Other Investments					
i) Investments in Equity instruments of other entities					
Quoted					
Dena Bank*	10/-	14	0.00	14	0.00
Nicco Corporation Ltd. *	2/-	826,194	50.65	826,194	50.65
Unquoted					
Sterling Resorts Ltd.			1.31		1.31
Panchawati Holiday Resorts Ltd.	10/-	9,400	0.94	9,400	0.94
ii) Investments in Government or trust securities					
7 Year National Saving Certificate			0.30		0.30
Indira Vikash Patra			0.00		0.00
5.5 Year Kissan Vikash Patra			0.10		0.10
			253.60		253.60
Aggregate Book Value of Investments					
Quoted			250.95		250.95
Unquoted			2.65		2.65
			253.60		253.60
Aggregated Market Value of quoted Investments			183.24		71.24

* Amount is below the rounded off norms as adopted by the company.

- No provision has been made for the diminution of ₹ 67.71 lacs in the valuation of investments determined on individual basis, held by the company as the same is considered temporary in nature as the investments have been made for a long term.
- National Saving Certificates and Kissan Vikas Patra have been lodged with various authorities as margin deposit and security money.

13. LONG TERM LOANS AND ADVANCES

Unsecured, Considered Good

Capital advances	166.55	100.20
Security Deposits	187.21	168.46
	353.76	268.66

Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at March 31st, 2015	As at March 31st, 2014
14. INVENTORIES		
(As taken, valued and certified by the management)		
At cost or net realisable value, whichever is lower		
Raw Materials	4,089.10	9,803.94
Raw Materials in Transit	1,168.64	455.39
Finished Goods	7,367.46	2,721.04
Stores & Spares	314.36	364.78
	<u>12,939.56</u>	<u>13,345.15</u>
(i) Details of closing finished goods inventories		
PE Compound	6,742.02	1,635.01
PVC Compound	478.95	226.62
Agglomerates	41.61	36.42
Others	104.88	822.99
	<u>7,367.46</u>	<u>2,721.04</u>
15. TRADE RECEIVABLES		
(Unsecured-considered good)		
Outstanding for a period exceeding 6 months from the date they are due for payment	1,595.03	569.87
Others	22,058.60	26,473.88
	<u>23,653.63</u>	<u>27,043.75</u>
16. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand (As certified by the management)	94.82	77.97
Balances with banks		
In Current Accounts	1,745.10	912.07
In EEFC Accounts	58.80	53.19
In Margin & Guarantee Deposits	1,695.31	949.68
In Unpaid Dividend Account	60.36	60.39
	<u>3,654.39</u>	<u>2,053.30</u>

Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at March 31st, 2015	As at March 31st, 2014
17. SHORT TERM LOANS AND ADVANCES		
(Unsecured -Considered good)		
(Recoverable in cash or kind or for value to be received)		
Prepaid Expenses	171.86	107.28
Balance with Government Authorities	4,252.61	2,149.40
Inter-corporate deposits	103.31	166.88
Advance to Suppliers	-	214.90
Other Loans and Advances (Refer note (i) below)	14,269.45	639.49
	18,797.23	3,277.95
(i) This includes insurance claims receivable ₹ 13477.50 lacs due to loss of fire in Dankuni Unit		
18. OTHER CURRENT ASSETS		
Interest accrued on deposits	111.97	46.13
Tangible Fixed Assets (Intended for sale to be realised within 1 Year)	3,137.00	3,508.24
	3,248.97	3,554.37
19. REVENUE FROM OPERATIONS		
Sale of products (Refer Note (i) below); Job Work Income	185,028.40	136,692.70
	185,028.40	136,692.70
Less : Excise Duty	13,710.26	13,436.13
	171,318.14	123,256.57
(i) Particulars of sale of products:		
<u>Particulars</u>		
PE Compound	120,362.74	91,982.54
PVC Compound	36,493.84	39,435.67
Others	28,171.82	5,274.49
	185,028.40	136,692.70
20. OTHER INCOME		
Interest Income		
Interest Income	197.67	256.50
Export Incentive	35.93	92.77
Insurance Claim received	23.47	83.44
Rent	0.50	-
Miscellaneous Receipts	3.96	5.99
Commission Received	1,346.14	863.26
	1,607.67	1,301.96

Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at March 31st, 2015	As at March 31st, 2014
21. COST OF MATERIALS CONSUMED		
Raw materials consumed		
LLDPE/ LDPE	87,259.39	55,867.03
PVC Resin	18,750.25	7,713.36
Plastic Scrap	123.48	4,789.14
Other items	51,777.45	38,638.70
	<u>157,910.56</u>	<u>107,008.23</u>
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening inventories of Finished Goods	2,536.77	2,199.13
Less: Closing inventories of Finished Goods	<u>(7,367.46)</u>	<u>(2,305.41)</u>
(Increase)/ Decrease	<u>(4,830.69)</u>	<u>(106.28)</u>
23. EMPLOYEE BENEFITS EXPENSE		
Salaries Wages & Bonus	1,984.56	1,534.98
Contribution to Provident and other Funds	25.43	50.31
Staff Welfare Expenses	74.55	85.11
	<u>2,084.54</u>	<u>1,670.40</u>
24. FINANCE COSTS		
(a) Interest on borrowings	2,452.27	3,328.72
(b) Interest on others	73.10	41.05
(c) Other borrowing costs	1,053.57	484.01
	<u>3,578.94</u>	<u>3,853.78</u>
25. OTHER EXPENSES		
Consumption of stores and spares	202.34	148.45
Power & Fuel	1,951.24	1,962.28
Clearing and Forwarding charges	941.38	915.41
Rent	296.82	222.13
Repair & Maintenance - Building	18.28	8.64
Repair & Maintenance - Machinery	290.84	341.16
Repair & Maintenance - Others	56.99	56.73
Insurance Charges	97.74	83.30
Rates & Taxes	28.92	31.18
Carriage and freight	749.67	873.88
Payments to auditors (Refer Note (i) below)	3.75	4.25
Bad debts/Advances Written Off	2.05	-
Loss on sale of fixed assets	19.74	7.76
Selling & Distribution Expenses	3,373.55	2,562.27
Miscellaneous expenses	747.55	597.53
	<u>8,780.86</u>	<u>7,814.97</u>
(i) Auditors' remuneration and expenses		
Audit fees	3.10	2.95
Tax audit fees	0.65	0.55
Fees for other services	-	0.75
Reimbursement of out-of-pocket expenses	-	-
	<u>3.75</u>	<u>4.25</u>

Notes to the Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
26. CONTINGENT LIABILITIES		
Bank Guarantee	725.31	526.09
Claims against the company not acknowledged as debts. (Refer Note No.(i) below)		
Sales Tax Matters	-	1,240.18
Excise and Custom Duty Matters	29.35	29.35
Total	754.66	1,795.62
(i) Future Cash Flow in respect to the above are determinable only on receipt of judgements/decisions pending with various forums / authorities.		
27 CAPITAL AND OTHER COMMITMENTS		
Capital Commitments		
Estimated value of contracts in capital account remaining to be executed and not provided for (Net of advances)	1,255.56	110.00
Other Commitments		
Letter of Credit	5,680.19	4,774.19
Total	6,935.75	4,884.19
28 EARNING PER SHARE		
A) Net Profit before Tax for basic earning per share	441.33	1,948.43
(Fully attributable to equity shareholders)		
Adjustment for the purpose of Diluted Earning Per Share	-	-
B) Weighted average number of Equity Shares	18,814,586	18,814,586
for earning per share computation	-	-
i Number of equity Shares at the beginning of the Year	-	-
ii a) Number of equity Shares allotted during the Year	-	-
b) Number of Equity Shares to be allotted on amalgamation.	-	-
iii weighted average Number of Equity Shares allotted during the year.	-	-
iv Number of Potential Equity Shares		
v Weighted average for:		
a) Basic Earning per Share	18,814,586	18,814,586
b) Diluted Earning per Share	18,814,586	18,814,586
C) Earning Per Share		
i Basic	2.35	10.36
ii Diluted	2.35	10.36
D) Face Value Per Share (₹)	10.00	10.00

Notes to the Financial Statements for the year ended 31st March, 2015**29 VALUE OF IMPORTED AND INDIGENEOUS MATERIAL CONSUMED**

(₹ in Lacs)

Particulars	March 31, 2015		March 31, 2014	
	₹	% of Total Consumption	₹	% of Total Consumption
Raw Materials				
i Imported	47,031.23	30%	32,071.12	30%
ii Indigeneous	110,879.33	70%	74,937.11	70%
	157,910.56	100%	107,008.23	100%
Store, Spare parts and Components				
i Imported	88.17	44%	99.13	67%
ii Indigeneous	114.17	56%	49.32	33%
Total	202.34	100%	148.45	100%

30. VALUE OF IMPORTS ON CIF BASIS

<u>Particulars</u>	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Raw Materials	47,031.23	32,071.12
Store, Spare parts and Components	88.17	99.13
Capital Goods	270.54	2,225.05
Total	47,389.94	34,395.30

31. EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

Exports at FOB Value	30,006.22	20,698.55
Total	30,006.22	20,698.55

32. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Travelling	22.28	18.88
Exhibition	85.87	16.36
Interest	1,043.66	2,142.28
Other Matters	51.45	45.72
Total	1,203.26	2,223.24

Notes to the Financial Statements for the year ended 31st March, 2015

33. EMPLOYEE BENEFITS

(₹ in Lacs)

- i Provision for defined contribution plan viz. Provident and Other Fund amounting to ₹ 25.43 lacs (Previous Year ₹ 50.30 lacs) has been charged to the Profit and Loss Account during the year.
- ii Description of type of employee benefits: The Company offers to its employees defined benefits plans in the form of Gratuity and leave encashment. Fund is created for payment of gratuity. However, no fund is created for payment of leave wages, the Company would pay the same out of its own funds as and when the same becomes payable.

Particulars	March 31, 2015	March 31, 2014
Changes in present value of obligation		
Present value of obligation as at beginning of the year	108.33	93.90
Add: Present obligation of transferor company		
Interest Cost	9.69	9.10
Current Service Cost	15.90	17.57
Past Service Cost		
Benefits Paid	(4.21)	(7.58)
Actuarial (gain)/Loss on obligation	(22.67)	(4.67)
Present Value of Obligation at the end of the year	107.04	108.32
Changes in fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	84.67	69.53
Expected Return on Plan Assets	8.48	6.94
Contributions	15.31	15.85
Benefits Paid	(4.21)	(7.58)
Actuarial (gain)/loss	(0.45)	(0.07)
Fair Value of Plan Assets at the end of the year	103.80	84.67
Present value of the Defined Benefit Obligation and the fair value of Plan Assets		
Present value of obligation at the end of the year	107.04	108.32
Fair value of plan assets at the end of the year	103.80	84.67
Liabilities /(Assets) recognised in Balance Sheet	3.24	23.65

- iii Para 132 of AS-15 (Revised 2005) does not require any specific disclosure except where expenses resulting from compensated absence is of such size, nature or incidence that disclosure is relevant under Accounting Standard 5 or Accounting Standard 18 and accordingly the expenses resulting from compensated absence is not significant and hence no disclosures are given under various paragraphs of AS-15.
- iv **The principal assumptions used in determining gratuity and leave encashment for the Company's plans are shown below:**

Particulars	March 31, 2015	March 31, 2014
Discount Rate	8.00%	8.25%
Expected Rate of Return on Assets	9.00%	9.00%
Future Salary Escalation Rate	5.00%	5.00%
Mortality Rate	21.74	24.09
Expense recognised in the Profit and Loss Account	21.96	24.31

Notes to the Financial Statements for the year ended 31st March, 2015**34. PARTICULARS OF FORWARD CONTRACT OUTSTANDING AND UN-HEDGED FOREIGN CURRENCIES EXPOSURE:**

(₹ in Lacs)

Particulars		FY 2014-15	FY 2013-14
Forward Contract outstanding	USD	13,031,250	19,781,450
Foreign Currency Loan	₹	7,444	10,950
The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on its capital account. Such transactions are governed by the strategy approved by the Board of Directors which provides principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.			
Outstanding derivative contract for Interest Rate and Currency Swaps	USD	13,031,250	19,781,450
	₹	7,444	10,950
Un-hedged Foreign Currency Exposure			
a) Foreign Currency Loan	USD	3976790	10777015
	₹	2489	6477
	EURO	3357500	3408850
	₹	2267	2185
b) Trade Payables	USD	3039810	20054215
	₹	1903	12053
	EURO		346007
	₹		286
c) Trade Receivables	USD	5404399	5087948
	₹	3383	3058
	EURO	62430	803097
	₹	42	663
d) Other Liabilities	USD	28151	256003
	₹	18	154

Notes to the Financial Statements for the year ended 31st March, 2015

35. SEGMENT REPORTING

i. **Primary Segment (Business Segment):** The Company operates in a single reportable segment (i.e. Manufacturing and sale of PVC and XLPE compound, which have similar risk and returns for the purpose of AS 17 on 'Segment Reporting' issued by ICAI.

ii. **Secondary segment (by Geographical demarcation):**

Particulars	March 31, 2015	March 31, 2014
Segment Revenue		
Domestic	141,311.92	102,558.02
Overseas	30,006.22	20,698.55
Segment Assets		
Trade Receivables		
Domestic	19,536.65	23,056.29
Overseas	4,163.96	3,987.46

Note: The Company has common assets for producing goods for domestic market and overseas markets. Hence, separate figures for other assets / additions to other assets has not been furnished.

36 RELATED PARTY DISCLOSURES

As per Accounting Standard 18 on related party disclosure issued by the Institute of Chartered Accountants of India, the transaction with related parties of the company are as follows :

Related Parties with whom the company had transactions during the year.

Key Management Personnel : Mr. Narrindra Suranna, Mr. Rajesh Kumar Kothari, Dr. P. R. Mukherjee.

Relatives of Key Management Personnel : Mrs. Tara Devi Surana, Mrs. Sarla Devi Surana, Mr. Surendra Kumar Surana, Mr. Dev Krishna Surana

A Shareholder holding more than 20% of Equity Shares of the Company : Sriram Financial Consultants Pvt. Ltd.

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2015

(₹ in Lacs)

Particulars		March 31, 2015	March 31, 2014
(A) Key Management Personnel			
Remuneration Paid	Mr. Narrindra Suranna	28.80	26.40
	Mr. Rajesh Kumar Kothari	17.57	16.38
	Dr. P.R.Mukherjee	8.00	-
Dividend Paid	Mr. Narrindra Suranna		
Outstanding as at the year end			
(B) Relatives of Key Management Personnel			
Dividend Paid	Mrs. Tara Devi Surana	-	-
	Mrs. Sarla Devi Surana	-	-
	Mr. Dalam Chand Surana	-	0.18
	Mr. Surendra Kumar Surana	-	0.01
	Mr. Dev Krishna Surana	-	1.64

Notes to the Financial Statements for the year ended 31st March, 2015

(C) A Shareholder holding more than 20% of Equity Shares of the Company			
Dividend Paid	Sriram Financial Consultants Pvt. Ltd	-	107.48

* The amount is below the roundoff norms as adopted by the Company.

37 The provision for Income Tax has been made U/s 115JB of Income Tax Act.

38 Previous years figures have been reclassified to confirm to current years classifications.

For **B. Mukherjee & Co.**
Chartered Accountants
Firm Registration No:302096E

B. Mukherjee
Partner
Membership No.002941
Date : 27th June, 2015
Place : Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN 00060127)
Chairman and Managing Director

A. B. Chakrabarty
(Membership No. FCS7184)
Company Secretary

Rajesh Kumar Kothari
(DIN 02168932)
Whole Time Director

Indar Chand Dakalia
Chief Financial Officer