Independent Auditor's Report

TO THE MEMBERS OF KKALPANA INDUSTRIES (INDIA) LIMITED

Report on the Standalone Ind AS Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **KKALPANA INDUSTRIES (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India.

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us,the aforesaid standalone 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 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

7. The corresponding financial information of the Company as at and for the year ended 31 March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued financial statements for the years ended 31st March, 2017 and 31st March, 2016,prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion vide our audit report dated 30th May, 2017 and 30thMay, 2016 respectively which is also explained in Notes to the attached financial statements. These financial statements have been adjusted for differences in accounting principles to comply with Ind AS and such adjustments on transition to Ind AS which has been approved by the Company's Board of Directors have been audited by us.

   Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. 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 "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

9. As required by Section 143(3) of the Act, based on our audit, 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 purposes of our audit.

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

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements of the Company.

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, as amended, 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 standalone Ind AS financial statements as stated in note 36 to the financial statement.

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.

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

Place: Kolkata
Date: 30th day of May, 2018

B.Mukherjee
(Partner)
Mem No : 002941

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 8 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Kkalpana Industries (India) Limited for the year ended 31st March 2018)

We report that:

i. In respect of its fixed assets:

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

b) As per the information and explanations given to us, physical verification of fixed assets have been carried out in terms of the phased program of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. As per the information and explanations given to us, the inventories have been physically verified at reasonable intervals during the year by the management and no material discrepancies between book stock and physical stock have been found.

iii. The Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan, not made any investment and have not provided any guarantee in respect of which Section 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, the paragraph 3(iv) of the Order is not applicable.

v. According to information and explanations given to us, the Company has not accepted any deposits from public during the year.

vi. We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, the dues of Income Tax , sales tax, duty of excise, service tax and value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2018 are as under :-

Name of the statute	Nature of dues	Amount Rs. in Lacs	Assessment Year	Forum where dispute is pending
Income Tax Act 1961	Income Tax	25.46*	2012-13	CIT (A)
	Income Tax	123.02*	2011-12	CIT (A)
	Income Tax	153.16	2010-11	ITAT

*Net of amounts paid under protest.

viii. The Company has not defaulted in repayment of dues to Financial Institutions or Banks or Government or Debenture holders.

ix. The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. However the Company has raised Term Loan during the year and has applied the same for the purpose for which term loans are raised.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Kolkata
Date: 30th day of May, 2018

B.Mukherjee
(Partner)
Mem No : 002941

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **KKALPANA INDUSTRIES (INDIA) LIMITED** ("**the Company**") as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st 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 B.Mukherjee & Co.,

Chartered Accountants
Firm Registration No : 302096E

Place: Kolkata
Date: 30th day of May, 2018

B.Mukherjee
(Partner)
Mem No : 002941

BALANCE SHEET AS AT 31st MARCH, 2018

(Rs. In Lacs)

	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A ASSETS				
1 Non-current Assets				
Property, Plant and Equipment	4	**23,121.20**	21,111.39	19,295.85
Capital Work-in-Progress	5	**410.14**	1,401.00	373.31
Investment Property	6	**1,281.68**	1,281.68	1,281.68
Other Intangible Assets	7	**22.29**	20.69	25.01
Financial Assets				
(i) Investments	8	**236.29**	236.30	200.29
(ii) Other Financial Assets	10	**254.20**	696.47	922.39
Other Non-Current Assets	11	**347.18**	153.50	342.83
		25,672.98	24,901.03	22,441.36
2 Current Assets				
Inventories	12	**15,543.90**	17,356.32	10,007.88
Financial Assets				
(i) Trade Receivables	13	**33,113.05**	33,975.35	36,284.40
(ii) Cash & Cash Equivalents	14	**1,687.83**	1,558.84	1,879.70
(iii) Loans	9	**741.39**	73.53	32.28
(iv) Other Financial Assets	10	**346.18**	268.72	1,179.78
Other Current Assets	15	**6,497.52**	4,071.68	4,932.40
		57,929.87	57,304.44	54,316.44
Total		**83,602.85**	82,205.47	76,757.80
B EQUITY & LIABILITIES				
1 Equity				
Equity Share Capital	16	**1,881.46**	1,881.46	1,881.46
Other Equity	17	**27,698.53**	25,519.47	22,632.39
		29,579.99	27,400.93	24,513.85
2 Non Current Liabilities				
Financial Liabilities				
(i) Borrowings	18	**6,488.50**	6,650.95	5,553.94
Provisions	19	**93.98**	54.41	42.41
Deferred Tax Liabilities (net)	20	**3,002.01**	2,447.66	2,171.54
		9,584.49	9,153.02	7,767.89
3 Current Liabilities				
Financial Liabilities				
(i) Borrowings	21	**14,441.10**	26,583.76	26,205.00
(ii) Trade Payables	22	**26,690.97**	14,727.76	13,394.15
(iii) Other Financial Liabilities	23	**2,528.50**	3,157.02	4,126.35
Other Current Liabilities	24	**74.76**	309.57	180.28
Provisions	25	**88.96**	167.97	146.84
Current Tax Liabilities (net)	26	**614.08**	705.44	423.44
		44,438.37	45,651.52	44,476.06
Total		**83,602.85**	82,205.47	76,757.80

Significant Accounting Policies and other information 1-3
Contingent liabilities and Other notes to the financial statements

The accompanying notes form an integral part of the financial statements
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: 30.05.2018
Place: Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)
Whole Time Director

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. In Lacs)

	Note No.	As at 31st March, 2018	As at 31st March, 2017
I INCOME			
Revenue from Operations	27	**176,801.02**	213,708.33
Other Income	28	**792.67**	1,081.28
Total Income		**177,593.69**	214,789.61
II EXPENSES			
Cost of Materials Consumed	29	**148,876.55**	172,555.15
Changes in Inventories of Finished Goods & Work-in-Progress & Stock-in-Trade	30	**(79.64)**	497.09
Excise Duty		**3,775.43**	18,699.98
Employee Benefits Expense	31	**2,524.86**	2,211.83
Finance Costs	32	**5,767.92**	5,398.40
Depreciation & Amortization Expense	4-7	**1,725.66**	1,313.95
Other Expenses	33	**11,553.08**	10,381.29
Total Expenses		**174,143.86**	211,057.69
III PROFIT BEFORE TAX		**3,449.83**	3,731.92
Tax expense	34		
Current tax		**688.62**	826.41
Deferred tax		**563.97**	277.68
Total Tax expense		**1,252.59**	1,104.09
IV PROFIT FOR THE YEAR AFTER TAX		**2,197.24**	2,627.83
V OTHER COMPREHENSIVE INCOME			
i Items that will not be classified to profit and loss	35	**(27.81)**	(4.53)
ii Income tax relating to items that will not be classified to profit and loss		**9.62**	1.57
Total Other Comprehensive Income For The Year		**(18.18)**	(2.96)
VI TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,179.06**	2,624.87
EARNING PER EQUITY SHARE			
(Face value of Rs 2/- each)			
Basic (Rs.)		**2.33**	2.79
Diluted (Rs.)		**2.33**	2.79
Significant Accounting Policies and other information	1-3		
Contingent liabilities and Other notes to the financial statements			

The accompanying notes form an integral part of the financial statements
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: 30.05.2018
Place: Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)
Whole Time Director

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. In Lacs)

	As at 31st March, 2018		As at 31st March, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax from continuing operations		**3,449.83**		3,731.92
Adjustment for:				
Depreciation & amortization expense	**1,725.66**		1,313.95	
Loss/(Profit) on sale of fixed assets	**10.94**		(114.24)	
Effect of exchange rate difference trasnfered to FCMTDA	**-**		262.21	
Unwinding of Interest on security deposit	**(4.62)**		(1.46)	
Finance cost	**5,767.92**		5,398.40	
Interest income	**(137.50)**		(163.54)	
(Gain)/Loss on remeasurement of Investment at fair value	**0.01**		(0.00)	
Other comprehensive income	**(27.81)**		(4.53)	
Provision for Doubtful debts	**(376.31)**		(103.01)	
Bad debts written off	**27.57**		539.31	
Notional rent on Security deposit	**5.27**		-	
		6,991.14		7,127.09
Operating profit before Working Capital changes		**10,440.97**		10,859.02
Adjustments for Working Capital changes				
Decrease/(increase) in non current financial assets				
Other financial assets	**(79.14)**		(2.10)	
Decrease/(increase) in other non current assets	**(198.95)**		189.34	
Decrease/(increase) in inventories	**1,812.42**		(7,348.43)	
Decrease/(increase) in current financial assets				
Trade receivables	**1,232.36**		1,872.76	
Loans	**(667.86)**		(41.25)	
Other financial assets	**(77.46)**		911.06	
Decrease/(increase) in other current assets	**(2,425.85)**		860.72	
Increase/(decrease) in non current provisions	**39.57**		11.99	
Increase/(decrease) in current financial liabilities				
Trade payables	**11,963.21**		1,333.61	
Other financial liabilities	**(293.57)**		76.90	
Increase/(decrease) in other current liabilities	**(234.82)**		129.30	
Increase/(decrease) in short term provisions	**(79.01)**		21.13	
		10,990.90		(1,984.98)
Cash generated from operations		**21,431.87**		8,874.04
(Tax paid) / refund received (net)		**(779.99)**		(544.40)
Net cash from operating activities		**20,651.88**		8,329.64
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment, CWIP and Intangible assets	**(2,862.02)**		(4,236.38)	
Sale proceeds of Property, Plant and Equipment	**104.89**		197.74	
Interest receipt on investments	**137.50**		163.54	
Increase in investment in Term deposit	**504.70**		229.48	
Purchase of current investments (net)	**-**		(36.00)	
Net cash generated / (used) in investing activities		**(2,114.93)**		(3,681.63)

(Rs. In Lacs)

	As at 31st March, 2018		As at 31st March, 2017	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowings				
Repayment of long term borrowings	**(338.95)**		938.00	
Increase/(decrease) in short term borrowings	**(12,511.45)**		(751.04)	
Finance cost	**(5,557.56)**		(5,155.82)	
Net cash from financing activities		**(18,407.96)**		(4,968.86)
Net changes in Cash and Bank balances		**128.99**		(320.85)
Net Increase / (-) Decrease in Cash and Bank balances				
Balance at the end of the year		**1,687.83**		1,558.84
Balance at the beginning of the year		**1,558.84**		1,879.69
Net changes in Cash and Bank balances		**128.99**		(320.85)

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows.

The accompanying notes form an integral part of the financial statements
This is the Cash Flow Statement referred to in our report of even date.

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

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)
Whole Time Director

B. Mukherjee
Partner
Membership No. 002941
Date: 30.05.2018
Place: Kolkata

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. In Lacs)

A. EQUITY SHARE CAPITAL (Refer Note No. 16)

	As at 31st March, 2018	As at 31st March, 2017
Balance at the year beginning	**1,881.46**	1,881.46
Changes in equity share capital during the year	-	-
Balance at the year end	**1,881.46**	1,881.46

B. OTHER EQUITY (Refer Note No. 17)

For the year ended 31st March, 2018

Particulars	Reserve & Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2017	**852.96**	**5,322.45**	**-**	**3,400.00**	**15,947.02**	**(2.96)**	**25,519.47**
Add : For the Year	**-**	**-**	**-**	**-**	**2,197.24**	**(18.18)**	**2,179.06**
Less: Ammortized during the year							**-**
Balance as at 31st March, 2018	**852.96**	**5,322.45**	**-**	**3,400.00**	**18,144.26**	**(21.15)**	**27,698.53**

For the year ended 31st March, 2017

Particulars	Reserve & Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2016	852.96	5,322.45	(262.21)	3,400.00	13,319.19	-	22,632.39
Add: For the Year	-	-	-	-	2,627.83	(2.96)	2,624.87
Less: Ammortized During the year	-	-	262.21	-	-	-	262.21
Balance as at 31st March, 2017	852.96	5,322.45	-	3,400.00	15,947.02	(2.96)	25,519.47

The accompanying notes form an integral part of the financial statements
This is Statements of Equity referred to in our report of even date.

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

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)
Whole Time Director

B. Mukherjee
Partner
Membership No. 002941
Date: 30.05.2018
Place: Kolkata

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

Notes to the financial statements for the year ended 31st March, 2018

1. COMPANY INFORMATION

Kkalpana Industries (India) Limited (the Company) was incorporated in India on 03rd of September 1995. The Company is domiciled in India whose shares are listed on the Bombay Stock Exchange (BSE). The registered office is located at 2B Pretoria Street. Kolkata The Company is engaged in the manufacturing of Plastic Compounds. Plastic Processors and Exporters Pvt Limited is a subsidiary of the Company.

The financial statements of the Company for the year ended 31st March, 2018 were authorised for issue in accordance with a resolution of the Board of Directors as on 30.05.2018

2 Basis of Preparation of Financial Statements

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements for the year ended 31st March, 2018 are the first Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information.

Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Note no. 52 of the financial statements.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between 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 or non-current classification of assets and liabilities.

The financial statements are presented in Indian Rupees (Rs.), which is the Company's functional currency and transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost basis (which includes deemed cost as per Ind AS 101), except for the following assets and liabilities which have been measured at fair value:

(i) Derivative financial instruments

(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

(iii) Defined benefits plans - Plan assets measured at fair value

2.3 FIRST TIME ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017 with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

Notes to the financial statements for the year ended 31st March, 2018

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented, Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS. The figures for the previous periods and for the year ended 31st March, 2016 have been restated, regrouped and reclassified, wherever required to comply with Ind-AS and Schedule III to the Companies Act, 2013 and to make them comparable.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognized directly in equity (retained earnings or another appropriate category of equity). These notes explain the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

[A] Exemptions from requirement of Other IND AS

A-1] Deemed cost for Property, Plant and Equipment, Investment Properties and Intangible Assets

The Company has elected to measure all its Property, Plant and Equipment, Investment Properties and Intangible Assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

[A-2] Business Combination

The Company has not elected to apply IND AS 103- Business Combination , retrospectively to past business combination that are occurred before the date of transition to IND AS.

[A-3] Lease

The Company has assessed the classification of each element as finance or operating lease at the date of transition to Ind AS on the basis of the facts and circumstances existing as at that date.

[A-4] Long Term Foreign Currency Monetary Items

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The policy is detailed in Note No. 17(c) of notes to Financial Statements for the year ended 31st March 2018 .

[A-5] Investments in subsidiaries and Associates

The Company has elected to measure all its Investments in Subsidiaries & Associates at the Previous GAAP, carrying amount as its deemed cost on the date of transition to Ind AS.

[B] Mandatory Exceptions from retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101.

[B-1] Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

These are as under:

- Fair Valuation of financial instrument.
- Impairment of financial assets based on expected credit loss model
- Determination of the discounted value for financial instruments carried at amortised cost

[B-2] Classification and measurement of Financial Assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income or through profit & loss is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

[C] Transition to Ind AS – Reconciliations

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

[C-1] Reconciliation of Equity as at 1st April, 2016 - Refer Note no 52 (A)

[C-2] Reconciliation of equity as at 31st March, 2017 - Refer Note no. 52 (B)

[C-3] Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017 – Refer Note no. 52 (C)

[C-4] Adjustments to statement of Cash Flows for the year ended 31st March, 2017 – Refer Note no. 52 (E)

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

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes :

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

Revenue is recognised to the extent 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 received.

The specific recognition criteria described below are met before revenue is recognised:

Sale of Goods

Revenue from the sale of goods is recognised when all significant risks and rewards of ownership of the goods are transferred to the buyer, as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.Revenue from Sale of Scrap is recognised as and when scrap is sold.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It excludes sales tax, Value added tax (VAT),Goods and Service Tax, Trade Discounts, Volume Rebates and Returns but includes excise duty.

Interest Income

Interest income is recognised using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Dividend Income

Revenue is recognised when the right to receive the payment is established by the reporting date.

Other Claims / Receipts

Insurance claims and other receipts including export incentives, where quantum of accruals cannot be ascertained with reasonable certainty, these receipts are accounted on receipt basis.

Commission Income

When the Compnay Acts in the capacity of an agent rather than as the princpal in a transaction the revenue recognised is the net amount of the commission earned by the Company.

Notes to the financial statements for the year ended 31st March, 2018

3.2 Property, Plant and Equipment

Upon first-time adoption of Ind AS, the Company has elected to measure all its Property, Plant and Equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

Property, Plant and Equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses (i.e. as per Cost Model), if any. Cost comprises purchase price including import duties and other non-refundable duties and taxes, borrowing cost if capitalization criteria are met and other directly attributable cost for bringing the Assets to its present location and condition.

In the case of an Assets acquired out of Long Term Foreign Currency borrowings before 31st March 2017, the exchange differences arising on account of settlement or restatement at the end of reporting period are capitalised and depreciated over the useful life of Assets, exchange differences arising after 31st March 2017, are reported on Statement in Profit and Loss Account.

The cost of replacing part of an item of Property, Plant and Equipment is recognised in the carrying amount of the item only when it is probable that future economic benefits embodied within the part will flow to the Company and the cost of the item/part can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

Gains or losses arising on retirement or disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Property, Plant and Equipment which are not ready for intended use as on the date of Balance sheet are disclosed as "Capital Work-in-progress".

Items of Property, Plant and Equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

The Assets which are held for Sale shall be reclassified to Current Assets only if its carrying amount will be recovered principally through a sale transaction (within one year) rather than through continuing use.

Depreciation and Ammortization:-

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Particulars	Years
Factory Building	30
Plant & Machinery	25
Electrical Installation	10
Lab Equipments	10
Furniture and Fixtures	10
Motor Car	8
Air Conditioner	15
Scooter, Moped and Cycle	10
Office Equipment	5
Computer	3

Useful life of 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 the comparable industries and our past experience for last 30 years.

3.3 Intangible Assets :

Upon first-time adoption of Ind AS, the Company has elected to measure all of its intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

Separately purchased intangible assets are initially measured at cost.Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.The useful lives of intangible assets are assessed as either finite or indefinite.Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The Tangible Assets are derecognised either when they are being disposed off or no future economic benefit is expected from its use or disposal, the difference net disposal proceeds and the carrying amount of Assets is recognised in the statement of Profit and Loss in the period of dereognition.

Intangible assets are amortised as follows:

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

3.4 Non Current Assets held for Sale

Non-current assets or disposal groups comprising assets and liabilities are classified as 'held for sale' when all of the following criteria are met : (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.5 Investment Property

Investment Property comprises Free-Hold Lands that are held for Capital Appreciation as it has been held for a currently undetermined future use and are recognised at cost.

An Investment Property are derecognised either when they are disposed off or when they are permanently withdrawn from use and no future economic benefit is expected.The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

3.6 Lease

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

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

Impairment of non-financial assets

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:-

a)In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use ; and

b) In the case of cash generating unit (a group of asset that generates identified, independent cash flow), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounting rate that reflect the current market assessment of the time value of the money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transaction is taken into account. If no such transaction 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 cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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.

3.7 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.

a) Financial Assets

Initial Recognition and measurement of Financial Assets

All financial assets are recognised initially at fair value plus or minus, 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.

Financial assets are classified, at initial recognition, in the same manner as described in subsequent measurement.

Notes to the financial statements for the year ended 31st March, 2018

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date the Company commits to purchase or sell the asset

Subsequent measurement

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

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortised cost

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

i) Business model test : The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

ii) Cash flow characteristics test : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Effective Interest Rate (EIR) method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period to the net carrying amount on initial recognition

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

i) Business model test : The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

ii) Cash flow characteristics test : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, 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’) that would otherwise arise from measuring financial assets and financial liabilities or recognising the gains or losses on them on different bases.

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

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If an equity investment is not held for trading, an irrecoverable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

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 other comprehensive income 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

Derecognition

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

(i) the Company has transferred substantially all the risks and rewards of the asset, or

(ii) 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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises 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.

Write Off

An entity shall directly reduce the gross carrying amount of a Financial Asset when the entity has no reasonable expectation of recovering a financial asset in its entirity or for a portion thereof.

Investment in joint ventures and subsidiaries:

The Company has accounted for its investment in joint ventures and subsidiaries at cost.

Impairment of financial assets

The Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial assets:

(a) Financial assets measured at amortised cost

(b) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected Credit Losses are measured through either 12 month ECL or lifetime ECL and it is assessed as following:

For recognition of impairment loss on financial assets, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves, such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company follows a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

b Financial liabilities

All financial liabilities are recognised 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 loans and borrowings, trade and other payables and derivative financial instruments.

Subsequent measurement

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

(a) 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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and 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.

(b) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

(c) Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Company enters into derivative contracts such as forward currency contract, option contract and cross currency and interest rate swaps to hedge foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to statement of profit and loss when the hedge item affects profit or loss.

3.8 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash in hand, cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, cash at banks and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the cash management.

3.9 Foreign currency Transactions

The Company's financial statements are presented in Indian Rupee (Rs.) which is also Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rates prevailing on the date of transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange rate differences that arise on settlement of monetary items or on translating of monetary items at each balance sheet reporting date at the closing rate are recognised as income or expense in the period in which they arise except exchange difference on monetary items that qualify as a hedging instrument in a cash flow hedge are recognised initialy in OCI to the extent the hedge is effective.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates prevailing at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are reported using the exchange rates prevailing at the date when fair value is determined.

When a gain or loss on non-monetary items is recognised in OCI any exchange component of that gain / loss shall be recognised in OCI, conversaly when a gain or loss on a non-monetary item is recognised in Profit / loss any exchange component of that gain/loss shall be recognised in Profit / Loss.

In accordance with Ind AS 101, exchange differences arising on long-term foreign currency monetary items before 31st March 2017 and which are directly related to acquisition of property, plant and equipments (other than land) are continued to be capitalised and depreciated over the remaining useful life of such asset. Exchange rate differences arising on other long term foreign currency monetary items which are not directly related to property , plant and equipment are continued to be accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the remaining life of concerned monetary item.

3.10 Fair Value Measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet 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:

(a) In the principal market for the asset or liability, or

(b) 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, maximising the use of relevant observable inputs and minimising 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 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each 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.

3.11 Inventories

Raw materials : 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 and Traded 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 and Traded Goods includes purchase prise and other cost incurred for bringing the inventories to their present location and condition.

Stores & Spareparts : Store and Spare Parts are valued at Cost.

3.12 Employee Benefits

Short Term Employee Benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be settled wholly before twelve months after the year end, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. It includes Salary, wages, paid annual leave.

Post Employement Benefits

Defined Contribution Plan

Retirement benefits in the form of contribution to Provident fund are defined contribution plans. The contributions are charged to the statement of profit and loss as and when due monthly and are paid to the Government administered Providend Fund towards which the Compnay has no further obligation beyond its monthly contribution. Superannuation benefit scheme is not exsisting in the Company.

Defined benefit plans:

The Company operates defined benefit plan viz., gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method.

Defined benefit costs are comprised of:

a) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b) Net interest expense or income; and

c) Re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs. Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

3.13 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which it is incurred.

Borrowing costs include interest expense calculated using the effective interest rate method as described in Ind AS 109- Financial Instruments, finance charges in respect of finance leases are recognised in accordance with Ind AS 17- Leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

3.14 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current Tax

Current income tax represents the tax currently payable on the taxable income for the year and any adjustment to the tax in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred Tax

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

The carrying amount of deferred tax assets is reveiwed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset only if:

(i) entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal tax during the specified period.

3.15 Provisions, Contingent Liabilities and Contingent Assets

General

Provisions are recognised 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. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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 recognised as a finance cost.

Contingent Liabilities and Assets

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the financial statements when economic inflow is probable.

3.16 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.

3.17 Current and Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non current classification.

An asset is current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle (twelve months),
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months after the reporting period,
- It is cash or cash equivalents 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 current when:

- It is expected to be settled in normal operating cycle (twelve months),
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period,

Or

Notes to the financial statements for the year ended 31st March, 2018

- 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.

3.18 Business Combination

Business combinations, if any, are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the Goodwill computed as per IND AS 103 is negative, the acquirer needs to reassess the identification and measurement of the acquiree’s identifiable assets, liabilities and contingent liabilities and the measurement of the cost of combination. If negative goodwill remains, this is recognised immediately in OCI and accumulated in equity as Capital Reserve. The Company recognises any non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the statement of Profit and Loss.

If there is an acquisition of an asset or a group of assets that does not constitute a business.In such cases the Company shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

Notes to the financial statements for the year ended 31st March, 2018

Schedule for the year ended 31st March 2018

04. Property Plant and Equipment (Rs. In Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2017	Addition during the year	Sales/ Disposals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/ Disposals	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
TANGIBLE ASSETS:										
Free hold land	1,591.40	16.90	-	1,608.30	-	-	-	-	1,608.30	1,591.40
Factory Building	6,722.19	94.70	15.31	6,801.58	249.35	254.51	3.96	499.90	6,301.68	6,472.84
Plant & Machinery	11,706.47	3,500.46	106.55	15,100.39	734.76	1,093.18	16.41	1,811.53	13,288.85	10,971.71
Furniture & Fixture	232.43	9.18	-	241.61	19.45	25.89	-	45.35	196.27	212.98
Motor Car	223.25	38.61	34.15	227.71	45.33	47.41	19.81	72.93	154.78	177.91
Scooter, Moped & Cycle	1.01	-	-	1.01	0.17	0.17	-	0.34	0.68	0.84
Laboratory Equipment	601.33	102.17	-	703.51	56.07	79.00	-	135.07	568.44	545.26
Electrical Installation	1,214.22	54.36	-	1,268.58	185.47	197.09	-	382.56	886.02	1,028.74
Office Equipment	43.81	10.71	-	54.51	8.49	10.55	-	19.03	35.48	35.32
Air Conditioner	60.45	6.81	-	67.25	3.64	5.24	-	8.87	58.38	56.81
Computer	24.36	12.33	-	36.68	6.79	7.56	-	14.36	22.33	17.56
Total	**22,420.92**	**3,846.24**	**156.01**	**26,111.14**	**1,309.53**	**1,720.60**	**40.18**	**2,989.95**	**23,121.20**	**21,111.39**

05. Capital Work In Progress

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2017	Addition during the year	Adjust-ments	As at 31-03-2018	As at 01-04-2017	For the Period	Adjust-ments	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Capital Work-in-Progress	1,401.00	418.75	1,409.61	410.14	-	-	-	-	410.14	1,401.00
Total	**1,401.00**	**418.75**	**1,409.61**	**410.14**	**-**	**-**	**-**	**-**	**410.14**	**1,401.00**

06. Investment Property

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2017	Addition during the year	Sales/ Disposals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/ Disposals	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Free Hold Land	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68
Total	**1,281.68**	**-**	**-**	**1,281.68**	**-**	**-**	**-**	**-**	**1,281.68**	**1,281.68**

07. Other Intangible Assets

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2017	Addition during the year	Sales/ Disposals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/ Disposals	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Technical Knowhow	0.20	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	24.91	6.65	-	31.56	4.42	5.05	-	9.48	22.08	20.49
Total	**25.12**	**6.65**	**-**	**31.77**	**4.42**	**5.05**	**-**	**9.48**	**22.29**	**20.69**

Schedules for the year ended 31st March 2017

04. Property Plant and Equipment

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2016	Addition during the year	Sales/ Disposals	As at 31-03-2017	As at 01-04-2016	For the year	Sales/ Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
TANGIBLE ASSETS:										
Free hold land	1,590.94	0.46	-	1,591.40	-	-	-	-	1,591.40	1,590.94
Factory Building	6,552.30	223.92	54.03	6,722.19	-	249.35	-	249.35	6,472.84	6,552.30
Plant & Machinery	9,201.23	2,523.15	17.91	11,706.47	-	734.76	-	734.76	10,971.71	9,201.23
Furniture & Fixture	99.79	132.65	-	232.43	-	19.45	-	19.45	212.98	99.79
Motor Car	217.12	17.70	11.57	223.25	-	45.33	-	45.33	177.91	217.12
Scooter, Moped & Cycle	1.01	-	-	1.01	-	0.17	-	0.17	0.84	1.01
Laboratory Equipment	396.44	204.89	-	601.33	-	56.07	-	56.07	545.26	396.44
Electrical Installation	1,174.73	39.48	-	1,214.22	-	185.47	-	185.47	1,028.74	1,174.73
Office Equipment	29.24	14.57	-	43.81	-	8.49	-	8.49	35.32	29.24
Air Conditioner	23.67	36.78	-	60.45	-	3.64	-	3.64	56.81	23.67
Computer	9.37	14.98	-	24.36	-	6.79	-	6.79	17.56	9.37
Total	**19,295.85**	**3,208.58**	**83.50**	**22,420.92**	**-**	**1,309.53**	**-**	**1,309.53**	**21,111.39**	**19,295.85**

Notes to the financial statements for the year ended 31st March, 2018

05. Capital Work In Progress

(Rs. In Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2016	Addition during the year	Capi-talized during the year	As at 31-03-2017	As at 01-04-2016	For the Period	Sales/ Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Capital Work-in-Progress	373.31	3,623.16	2,595.46	1,401.00	-	-	-	-	1,401.00	373.31
Total	**373.31**	**3,623.16**	**2,595.46**	**1,401.00**	**-**	**-**	**-**	**-**	**1,401.00**	**373.31**

06. Investment Property

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2016	Addition during the year	Sales/ Disposals	As at 31-03-2017	As at 01-04-2016	For the Period	Sales/ Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Free Hold Land	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68
Total	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68

07. Other Intangible Assets

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2016	Addition during the year	Sales/ Disposals	As at 31-03-2017	As at 01-04-2016	For the Period	Sales/ Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Technical Knowhow	0.20	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	24.81	0.11	-	24.91	-	4.42	-	4.42	20.49	24.81
Total	25.01	0.11	-	25.12	-	4.42	-	4.42	20.69	25.01

Other Notes to Note No 04 to 07

A Disclosures for Property, Plant & Equipment (PPE) ,Capital Work-in-Progress (CWIP) and Intangible Assets

A1. Refer Note No 47 for information on Property, Plant and Equipment and Intangible Assets pledged as security by the Company.

A2. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for the year ended 31st March, 2018 is Rs. 70.65 lacs (31st March, 2017: Rs.49.94 Lacs and 1st April, 2016: Rs. 140.28 Lacs).

A3. There has been no impairment loss on above assets during the year.

A4. The Company has elected optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value.

A5. Borrowing costs capitalised for the year ended 31st March , 2018 is Rs. Nil (31st March , 2017 Rs. Nil And 31st March, 2016 Rs. 92.58 lacs).

B Disclosures for Investment Property

B1. The Company has identified and reclassifed Land at West Bengal amounting Rs 1281.67 Lacs. Immovable Properties as Investment Properties on the date of transition i.e. 1st April, 2016 on the basis of currently undermined future use.

B2. No amount of Income / Expenses has been recognised in Profit and Loss in relation to the above Investment Property.

B3. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

B4. The Company has elected optional exemption under Ind AS 101 to measure Investment Property at previous GAAP carrying value.

B5. Since the Land at West Bengal are partial agricultural in natrue, the management has not determined the Fair Market Value of these properties from the accredited independent valuer and hence the disclosure requirement of fair value has not been furnished.

Notes to the financial statements for the year ended 31st March, 2018

(Rs. In Lacs)

		No. of Shares / Units				Amount		
8	FINANCIAL ASSETS:- NON-CURRENT INVESTMENTS	Face Value Rs.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Equity Instruments - Fully paid up							
	Unquoted							
	(a) Subsidiary-At Cost							
	(i) Plastic Processors and Exporters Pvt Ltd.	10	**45,000**	45,000	-	**36.00**	36.00	-
	(b) Others-At Fair Value Through Profit and Loss							
	(i) Sterling Resorts Ltd.		**-**	-	-	**-**	-	-
	(ii) Panchawati Holiday Resorts Ltd.	10	**9,400**	9,400	9,400	**-**	-	-
	(iii) Kkalpana Plastics Middeast FZE		**-**	-	-		-	-
	Quoted							
	(a) Associate-At Cost							
	(i) Kkalpana Plastick Limited	10	**2,002,920**	2,002,920	2,002,920	**200.29**	200.29	200.29
	(b) Others-At Fair Value Through Profit and Loss							-
	(i) Dena Bank	10	**14**	14	14	**-**	0.01	0.00
	(ii) Nicco Corporation Ltd.	2	**826,194**	826,194	826,194	**-**	-	-
	Investments in Government or trust securities #							
	(At Ammortised Cost)							
	(a) 7 Year National Saving Certificate					**-**	-	-
	(b) Indira Vikash Patra					**-**	-	-
	(c) 5.5 Year Kissan Vikash Patra					**-**	-	-
	Total Investments					**236.29**	236.30	200.29
	Less: Provision for diminution in the value of Investments					**-**	-	-
	Net Investments					**236.29**	236.30	200.29
	Notes:							
	Aggregate amount of Quoted Investments and market value thereof					**200.29**	200.30	200.29
	Aggregate amount of Unquoted Investments					**36.00**	36.00	-
	Aggregate amount of Impairment in the value of Investments					**-**	-	-
	Total Investment (net)					**236.29**	236.30	200.29
	# Represent Investment written off as on transition date i.e 1st April 2016					**-**	-	0.40

(Rs. In Lacs)

9. FINANCIAL ASSETS - LOANS

	Non Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
(a) Unsecured, considered good						
Loan to Related Party	**-**	-	-	**741.39**	73.53	-
Loans to Others	**-**	-	-	**-**	-	32.28
Total	**-**	-	-	**741.39**	73.53	32.28

There are no loans/ advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or loans/ advances to firms or private companies respectively in which any director is a partner or a director or a member.

10. FINANCIAL ASSETS - OTHERS

	Non Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good						
(a) Security Deposit	**90.38**	27.95	24.40	**98.50**	97.32	110.30
(b) Investment in Term Deposits (with remaining maturity of more than 12 months)	**163.82**	668.52	897.99	**-**	-	-
(c) Derivative Instruments	**-**	-	-	**-**	-	-
Foreign Exchange Forward Contracts	-	-	-	**64.74**	-	-
Foreign Currency Options	-	-	-	**22.12**	-	-
(d) Others - Advances Recoverable from	**-**	-	-	**-**	-	-
Employees	-	-	-	**82.00**	126.63	64.37
Others	-	-	-	**47.65**	32.70	970.88
(e) Interest Accrued on Deposits	-	-	-	**31.17**	12.07	34.23
Total	**254.20**	696.47	922.39	**346.18**	268.72	1,179.78

11. OTHER NON CURRENT ASSETS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Capital Advances			
(i) Unsecured - considered good	**323.76**	151.44	339.43
(b) Other Advances			
(i) Unsecured, considered good			
- Balance With Government Authorities	**-**	0.25	0.25
(c) Prepaid Rent	**23.42**	1.81	3.15
Total	**347.18**	153.50	342.83

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

(Rs. In Lacs)

12. **INVENTORIES**	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
(As taken valued and certified by the management)			
At Cost or NRV whichever is lower			
(a) Raw materials			
- In Stock	**12,262.41**	14,437.00	6,609.87
- In Transit	**112.01**	-	3.36
(b) Finished goods			
- In Stock	**2,751.63**	2,671.99	3,169.07
(c) Stores and spares- at Cost			
- In Stock	**417.85**	247.33	225.58
Total	**15,543.90**	17,356.32	10,007.88

- During the year ended 31st March, 2018 and year ended 31st March, 2017 no amount was recognised as an expense for the inventories carried at net realisable value.
- Refer Note No :- 48 for details of Carrying amount of Inventories pledged with banks against Working Capital loans.
- Stores and Spares does not include machinery spares which can be used only in connection with an item of Fixed Assets.

13. **TRADE RECEIVABLES**	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
(a) Unsecured, considered good			
(i) Others	**33,587.22**	34,970.70	37,382.77
(ii) Related Parties	**144.90**	-	-
	33,732.12	34,970.70	37,382.77
Less: Allowance for bad and doubtful debts	**619.07**	995.35	1,098.37
Total (net of provision)	**33,113.05**	33,975.35	36,284.40

- There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other persons or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
- The Company has done the Impairment Assesement for Trade Receivables based on expected credit loss model considering the credit risk as significantely low. The Company has used a simplified approach based on a 12 months ECL. A provison matrix has been prepared based on historical credit loss experience adjusted as appropiate to reflect the current conditions and supportable forecast of future economic conditons. The Company has used the adjustment rate of 5% for worsening of future economic conditons.

(Rs. In Lacs)

14. CASH & CASH EQUIVALENTS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Balance with banks:			
(i) In Current Accounts	**340.48**	477.18	541.26
(ii) In EEFC Account	**25.03**	81.38	250.74
(ii) In Deposit with Original Maturity of less than 3 months	**58.00**	-	-
(b) Cash in hand (As certified by the management)	**25.65**	37.11	112.20
(c) Other Bank Balance			
(i) Unpaid Dividend account	**24.58**	33.82	41.92
(ii) Deposits with more than 3 months initial maturity	**1,214.09**	929.35	933.58
Total	**1,687.83**	1,558.84	1,879.70

15. OTHER CURRENT ASSETS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Other Advances			
(i) Unsecured, considered good			
- Balances with government departments	**6,298.71**	3,884.33	4,741.65
(b) Prepaid Expenses	**198.76**	186.51	190.70
(c) Prepaid Rent	**0.05**	0.84	0.05
Total Other Current Assets	**6,497.52**	4,071.68	4,932.40
Less: Total Provision for Doubtful Advances/ Debts	**-**	-	-
Total (net of provision)	**6,497.52**	4,071.68	4,932.40

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

16. EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity)	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised Shares			
153,000,000 (Previous Year: 153,000,000) Shares of Rs. 2 each	**3,060.00**	3,060.00	3,060.00
	3,060.00	3,060.00	3,060.00
Issued, Subscribed and Paid Up			
940,72,930 (Previous Year: 940,72,930) Equity Shares of Rs.2 each	1,881.46	1,881.46	1,881.46
	1,881.46	1,881.46	1,881.46

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

(Rs. In Lacs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Amount (Rs. In Lacs)	No. of Shares	Amount (Rs. In Lacs)	No. of Shares	Amount (Rs. In Lacs)
Equity Shares outstanding at the beginning of the year	94,072,930.00	1,881.46	94,072,930.00	1,881.46	94,072,930.00	1,881.46
Equity Shares issued during the year	-	-	-	-	-	-
Equity Shares bought back during the year	-	-	-	-	-	-
Equity Shares outstanding at the end of the year	**94,072,930.00**	**1,881.46**	**94,072,930.00**	**1,881.46**	**94,072,930.00**	**1,881.46**

(b) Terms/ Rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of Rs. 2 per share. Each equity shareholder is entitled to one vote per share.

In 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 in propotion of their shareholding.

(c) Details of shareholders holding more than 5% shares in the Company

(Rs. In Lacs)

Sl. No.	Name of the Shareholders	As at 31st March 2018		As at 31st March, 2017		As at 1st April, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Sri Ram Financial Consultants Pvt Ltd	**44,785,170**	**47.61**	44,785,170	47.61	44,785,170	47.61
2	Shyam Baba Trexim Pvt Ltd	**15,551,680**	**16.53**	15,551,680	16.53	15,551,680	16.53
3	Subh Labh Vintrade Pvt Ltd.	**-**	**-**	-	-	7,750,000	8.24
4	Almond Polytraders Pvt. Ltd.	**7,750,000**	**8.24**	7,750,000	8.24	-	-
5	Inbara holdings Pvt Ltd.	**7,250,000**	**7.71**	7,250,000	7.71	7,250,000	7.71%

(d) Aggregate number of bonus shares issued, shares alloted as fully paidup persuant to contract without payment being received in cash and shares bought back during the period of five years immediately preceding the reporting date: Nil

17. OTHER EQUITY (Refer Statement of Changes in Equity)

(a) Security Premium Reserve

This reserves are used to record the premium on issue of shares. The reserve would be utilized in accordance with the provisons of the Act.

(Rs. In Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	**5,322.45**	5,322.45	5,322.45
Add: During the year	**-**	-	-
	5,322.45	5,322.45	5,322.45

(Rs. In Lacs)

(b) **Capital Reserve and Amalgamation Reserve**	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	**852.96**	852.96	852.96
Add: During the year	-	-	-
	852.96	852.96	852.96

(c) Foreign Currency Monetary Item Transalation Difference Account

Exchange rate differences arising on long term foreign currency monetary items which are not directly related to property , plant and equipment are accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the remaining life of concerned monetary item.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	**-**	(262.21)	(266.08)
Exchange Gain/(loss) during the year		-	(111.03)
Ammortization during the year	**-**	262.21	114.90
	-	-	(262.21)

(d) **General Reserve**	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	**3,400.00**	3,400.00	3,400.00
Add: During the year	-	-	-
	3,400.00	3,400.00	3,400.00

(e) **Retained Earnings**	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	**15,947.02**	13,319.19	12,179.85
Add: During the year	**2,197.24**	2,627.83	1,139.34
	18,144.26	15,947.02	13,319.19

(f) **Other Comprehensive Income**	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	**(2.96)**	-	-
Add: During the year	**(18.18)**	(2.96)	-
	(21.15)	(2.96)	**-**
Total Reserves (a+b+c+d+e+f)	**27,698.53**	25,519.47	22,632.39

(Rs. In Lacs)

18. LONG TERM BORROWINGS	Non Current			Current *		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Secured						
(a) Term Loans						
I From Banks						
(i) Rupee Loan	**4,626.23**	4,964.58	2,962.72	**1,501.58**	848.28	210.00
(ii) Foreign Currency Loan	**-**	-	1,030.93	**-**	1,022.08	2,790.15
	4,426.23	4,964.58	3,993.65	**1,501.58**	1,870.36	3,000.15
II From Others						
(i) From Banks - Veichle Loan	**82.00**	82.55	114.59	**-**	-	-
Total (Net) (a)	**4,708.23**	5,047.13	4,108.24	**1,501.58**	1,870.36	3,000.15
Unsecured						
(b) Long term loan						
Related Party	**1,780.27**	1,603.82	1,445.70	**-**	-	-
Total (Net) (b)	**1,780.27**	1,603.82	1,445.70	**-**	-	-
Grand Total (Net) (a+b)	**6,488.50**	6,650.95	5,553.94	**1,501.58**	1,870.36	3,000.15

*Refer Note No. 23

Details of terms of repayment of long term borrowings

Long term borrowings		Terms of Repayment	Maturity Date	Interest Rate	Loan Taken Date
Secured					
a)	**Term Loans**				
I	**From Banks**				
(i)	Rupee Loan-IDFC	1 Year moratorium from the date of 1st disbursement & thereafter payable in 20 equal quarterly installments.	13th Feb 2021	10.35%	01st April 2017
(ii)	Rupee Loan-HDFC	Repayable in 15 equal quarterly installments starting from 30th june 2017.	30th March 2022	9.85%	24th March 2017
(iii)	Rupee Loan-SBI	Will start after completing moratorium period of 2 years. 24 quarterly installment starting from 31st December 2016 in a structured way .	30th Sep 2022	12.50%	31st Dec 2014
(iv)	Rupee Loan-HDFC	Repayable in 20 equal quarterly installments after 12 months of moratorium from the date of first disbursal. Repayments to start from 31st March 2018 till 31st December 2022.	31st Dec 2022	9.90%	06th Jan 2017
(v)	Foreign Currency Loan-SCB	Principal & Interest to be paid in 16 installment. Each installment having USD 593750 towards repayment of Principal	18th May 2017	8.80%	18th May 2012
(vi)	Foreign Currency Loan-DBS	Door to Door maturity of 5 years with repayment in 16 equal quarterly installments with 1st repayment starting from the end of 15th month from the date of 1st drawdown.	26th July 2017	Libor+2.35%	27th July 2012
II	**From Others**				
(i)	Veichle Loan-	60 equal monthly instalment			

Unsecured

(b) Long term loan

RELATED PARTY		
Shyambaba Trexim Pvt Ltd.	Repayable on Demand after 30th March 2022	4.00%
Sri Ram Financial Consultant Pvt Ltd.		
Inbara Holdings Pvt Ltd.		
Krishna Commodeals Pvt Ltd.		

Details of terms of security for long term borrowings

a) ECB Loan from Standard Chartered are secured by exclusive charge by way of equitable mortgage over all present and future immovable properties located at Bhasa Unit.

b) ECB Loan from Standard Chartered , DCB and Rupee Loan from SBI are 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 Unit.

c) Rupee Term Loan from HDFC and IDFC are secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Silvasa, Surangi, Daman and Bhasa Units.

d) Veichle Loan are secured by hypothecation against Motor Car.

(Rs. In Lacs)

19. **LONG TERM PROVISIONS**	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
(a) Employee benefits			
(i) Gratutiy (Refer Note No. 41(b))	**93.98**	54.41	42.41
Total	**93.98**	54.41	42.41

20. **DEFERRED TAX LIABILITIES (NET)**	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
(a) Liabilities :			
Depreciation and amortization expenses	**2,846.93**	,352.78	2,073.36
Items under financial assets and financial liabilities giving temporary differences	**387.89**	457.70	499.16
Total (a)	**3,234.82**	2,810.48	2,572.52
(b) Assets :			
Items under financial assets and financial liabilities giving temporary differences	**18.57**	18.34	20.86
Provision for doubtful debts & obsolescence	**214.24**	344.48	380.12
Total (b)	**232.81**	362.82	400.98
Net Liability (a-b)	**3,002.01**	2,447.66	2,171.54

(Rs. In Lacs)

Reconciliation of deferred tax assets/ liabilites (net):	**As at 31st March, 2018**	As at 31st March, 2017
Opening balance as at year beginning	**2,447.66**	2,171.55
Tax (benefit) / expense during the period recognised in profit or loss	**563.97**	277.68
Tax impact on items of Other Comprehensive income that will not be classified to profit & loss	**(9.62)**	(1.57)
Closing balance as at year end	**3,002.01**	2,447.66

21. SHORT TERM BORROWINGS	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Secured			
(a) Loans repayable on demand			
Cash credits from bank *	**12,090.36**	19,019.43	17,735.34
(b) Other Loans and advances			
Buyer's credit from bank *	**2,350.74**	7,564.33	8,469.66
Total	**14,441.10**	26,583.76	26,205.00

* These Loans are repayable on demand and carries interest as applicable from time to time.

* Working capital facilities (fund based & non fund based limits) are secured by:-

1. 1st pari passu charge by way of hypothecation over entire current assets, stock and book debts of the Company both present & future.
2. 1st pari passu charge by way of equitable mortgage over property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai - 400066.
3. 2nd pari passu charge by way of equitable mortgage over all fixed assets both present & future except immovable assets of Daman, Dankuni & Falta.

22. TRADE PAYABLES	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
(a) Micro & Small Enterprises	**-**	-	-
(b) Others			
Acceptances secured *	**22,781.90**	11,905.83	10,299.50
Sundry Creditors for goods	**2,809.76**	1,862.54	2,425.63
Sundry Creditors for expenses	**1,099.31**	959.39	669.02
Total	**26,690.97**	14,727.76	13,394.15

* Secured by way of hypothecation of stocks and book debts in favor of the Company's banker.

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.

(Rs. In Lacs)

23. CURRENT FINANCIAL LIABILITIES-OTHER	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Current maturities of long-term debts (Refer Note No. 18)	**1,501.58**	1,870.36	3,000.15
(b) Interest payable on Unsecured Loan	**253.06**	219.21	135.65
(c) Unpaid dividends #	**24.59**	33.83	41.92
(d) Others			
(i) On capital account	**172.30**	284.73	290.85
(ii) Other Liabiity	**576.97**	748.89	657.78
Total	**2,528.50**	3,157.02	4,126.35

There is no amount due & outstanding to be credited to the Investor Education & Protection Fund.

24. OTHER CURRENT LIABILITIES	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Advance payments from customers	**0.90**	0.90	-
(b) Other payables			
(i) Statutory dues	**73.86**	308.67	180.28
Total	**74.76**	309.57	180.28

25. SHORT TERM PROVISIONS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Employee benefits			
(i) Leave encashment (unfunded)	**88.96**	167.97	146.84
Total	**88.96**	167.97	146.84

26. CURRENT TAX LIABILITIES	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Income Tax (Net of Payments)	**614.08**	705.44	423.44
Total	**614.08**	705.44	423.44

(Rs. In Lacs)

27. REVENUE FROM OPERATIONS	2017-18	2016-17
(a) Sale of Products		
(i) PE Compound	**88,479.17**	104,130.02
(ii) PVC Compound	**43,388.18**	60,491.60
(iii) Others	**44,395.04**	48,142.95
(b) Sale of Services		
(i) Commission Received -Refer Note below:-	**538.63**	943.76
Commission relates to sale of Products in which the Company Acts as an agent in the transaction rather than as a Princial. In assessing the Companies role to be that of an agent rather than as a principal, the management considered the following factors:-		
a - The Company does not take title to the goods and has no responsibility in respect of goods sold.		
b- The Company cannot vary the selling prices set by the supplier.		
c- Credit risk is born by the supplier.		
Total	**176,801.02**	213,708.33

28. OTHER INCOME	2017-18	2016-17
(a) Interest income	**137.50**	163.54
(b) Profit on Sale of Assets	**-**	114.24
(c) Exchange difference other than considered as finance cost (net)	**400.67**	694.86
(d) Export Incentive	**19.63**	84.00
(e) Unwinding of Interest on security deposit	**4.62**	1.46
(f) Fair Value gain or (losses) on derivatives	**86.86**	-
(g) Insurance Claim Received	**97.37**	11.21
(h) Other Miscelleaneous Income	**46.02**	11.97
Total	**792.67**	1,081.28

29. COST OF MATERIALS CONSUMED

Inventory at the begining of the year	**14,437.00**	6,609.87
Add: Purchases during the year	**146,813.96**	180,382.28
Less: Raw Material at the end of the Year	**12,374.41**	14,437.00
Total Cost of Material Consumed	**148,876.55**	172,555.15
Details of Raw Material Consumed		
LLDPE/ LDPE	**68,649.61**	78,262.24
PVC Resin	**27,466.90**	35,417.64
Plastic Scrap	**5,625.15**	36.26
Other items	**47,134.89**	58,839.01
Total	**148,876.55**	172,555.15

(Rs. In Lacs)

30. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE	2017-18	2016-17
(a) Stocks at the beginning of the year		
Finished goods	**2,671.99**	3,169.08
(b) Less: Stocks at the end of the year		
Finished goods	**2,751.63**	2,671.99
Total	**(79.64)**	497.09

31. EMPLOYEE BENEFITS EXPENSE	2017-18	2016-17
(a) Salaries, Wages, Bonus and Gratuity	**2,328.47**	2,062.72
(b) Contribution to Provident and other funds	**99.67**	70.95
(c) Workmen and staff welfare expenses	**96.72**	78.16
Total	**2,524.86**	2,211.83

32. FINANCE COSTS	2017-18	2016-17
(a) Interest expense		
(i) To Banks	**4,088.79**	3,452.69
(ii) To Others	**371.83**	361.92
(b) Other borrowing costs	**1,130.79**	1,424.77
(c) Unwinding of Interest	**176.51**	159.02
Total	**5,767.92**	5,398.40

33. OTHER EXPENSES	2017-18	2016-17
(a) Consumption of Stores and Spare Parts.	**113.55**	136.84
(b) Power & Fuel	**2,234.44**	1,892.11
(c) Clearing and Forwarding charges	**1,547.39**	1,114.55
(d) Rent	**593.16**	300.72
(e) Repair & Maintenance - Building	**63.42**	85.75
(f) Repair & Maintenance - Machinery	**327.44**	412.18
(g) Repair & Maintenance - Others	**158.43**	157.50
(h) Insurance Charges	**171.48**	123.22
(i) Rates & Taxes	**44.81**	31.96
(j) Carriage and freight	**815.56**	1,273.78
(k) Payments to Auditors (Refer Note (i) below)	**6.00**	3.75
(l) Directors' Fees	**3.20**	3.90
(m) Bad debts / Advances Written off	**27.57**	539.31
(n) Loss on sale of fixed assets	**10.94**	-
(o) Selling & Distribution Expenses	**4,458.20**	3,140.01
(p) Net (gain)/loss on Fair value of Financial Assets through Profit & Loss	**0.01**	(0.00)
(r) Provision for doubtful debts	**(376.31)**	(103.01)
(s) Miscellaneous expenses	**1,353.79**	1,268.72
Total	**11,553.08**	10,381.29

Refer Note :- 1

Auditors' remuneration and expenses		
Audit fees	3.10	3.10
Tax audit fees	0.65	0.65
Fees for other services	2.25	-
	6.00	3.75

(Rs. In Lacs)

34. Income Tax

	2017-18	2016-17
I Income tax related to items charged or credited directly to profit or loss during the year:		
(a) Statement of profit and loss		
(i) Current Income Tax	**688.62**	826.41
(iii) Deferred Tax expense/ (benefit)	**563.97**	277.69
	1,252.59	1,104.09
(b) Other Comprehensive Income		
(i) Deferred Tax related to items recognised in OCI during the year:		
- Net expense/(benefit) on remeasurements of defined benefit plans	**(9.62)**	(1.57)
Total (a+b)	**1,242.97**	1,102.52
II Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2018 and 31st March, 2017:		
Accounting profit before income tax as per Ind AS	**3,449.83**	3,731.92
At Income tax rate of 34.608% (31st March, 2017: 34.608%)	**1,193.92**	1,291.54
Tax effect of items that are not deductible for tax purpose	**59.00**	44.67
Tax effect of items that are deductible for tax purpose	**-**	(135.39)
Tax effect of items that are not taxable for tax purpose	**-**	-
Deffered Tax impact on transition date	**-**	(98.30)
Tax effect of deductions under Chapter VIA of Income Tax Act, 1961	**(9.95)**	-
At the effective income tax rate of 36.03% (31st March 2017: 29.54 %)	**1,242.97**	1,102.52
Income tax expense reported in the statement of profit and loss	**1,242.97**	1,102.52

35. Other Comprehensive Income

	2017-18	2016-17
i Items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans		
Balance as at year beginning	**(4.53)**	(28.64)
Add: Created during the year	**(23.27)**	-
Less: Adjustments	-	24.10
Balance as at year end	**(27.80)**	(4.53)
ii Income tax relating to items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans		
Balance as at year beginning	**1.57**	9.91
Add: Created during the year	**8.05**	-
Less: Adjustments	-	(8.34)
Balance as at year end	**9.62**	1.57
	-	-
Total	**(18.18)**	(2.96)

36 OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Contingent liabilities & Commitments

(Rs. In Lacs)

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A	Not Provided for:-			
	(a) Claims against the Company not acknowledged as debts - Demand raised by following authorities in dispute: (i) Income tax matters	338.77	-	-
B	**Bank Gurantee**	658.44	898.63	612.54
C	**Capital Commitments** Estimated Value of contracts in Capital account remaining to be excecuted and not provided for (Net of advances)	70.65	49.94	140.28
D	**Other Commitments**			
	Letter of Credit	23,185.05	21,849.97	10,561.38

37 Details of loans given, Investments made and Guarantee given covered u/s 186(4) of the Companies Act, 2013

A. Loan Given

Sl. No.	Name of the entity	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
1	To Subsidiary Company	**741.39**	73.53	-
2	Others	**-**	-	32.28
		741.39	73.53	32.28

B. Investment Made
There are no investments by the company other than those stated under Note No. 8 in the financial statements.

C. Securities Given
There is no security given during the year.

38 Disclosure on Corporate Social Responsibility Expenses

(a) Gross amount required to be spent by the Company during the year in pursuance to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder : Rs. 72 Lacs (PY Rs. 66.61 Lacs).
(b) Amount unspent as on 31st March 2017 is Rs.63.41 lacs.
(c) Amount spent during the year 2017-18 and shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 33):

(Rs. In Lacs)

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(i)	Spent in Cash	**135.50**	125.00	-
(ii)	Yet to Spend	**-**	63.41	121.81
	Total	**135.50**	188.41	121.81

39 Disclosures as required by Ind AS 19, Employee Benefits

(a) Defined contribution plans:

(Rs. In Lacs)

	2017-18	2016-17
Contribution to defined contribution plan, recognised as expense for the year as under:		
(i) Employer's contribution to Government Provident Fund, Pension Fund & ESI	**99.67**	70.95
Total	**99.67**	70.95

(b) Defined benefit plan:

Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Group Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India, is provided for as assets/ (liability) in the books. Actuarial gains/ (losses) for defined benefit plans are recognised in full and are immediately taken to the statement of profit and loss and Other Comprehensive Income accordingly as per Acturial Valuation Report.. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 30 days' salary for each completed year of service . Vesting occurs upon completion of five continuous years of service in accordance with Indian law. The gratuity fund is separately administered by a Gratuity Fund Trust.

(Rs. In Lacs)

I **Following information are based on report of actuary for employee benefit expenses**	Gratuity (Funded)	
	2017-18	2016-17
(A) Change in present value of the obligation during the year		
(1) Present value of obligation at year beginning	**172.44**	139.16
(2) Current service cost	**24.75**	24.43
(3) Interest cost	**12.73**	11.69
(4) Benefits paid	**(16.40)**	(6.31)
(5) Actuarial (gain) / loss arising from changes in demographic assumptions	**-**	-
(6) Actuarial (gain) / loss arising from changes in financial assumptions	**(4.48)**	9.23
(7) Actuarial (gain) / loss arising from changes in experience adjustments	**30.81**	(5.76)
(8) Present value of obligation at year end	**219.85**	172.44
(B) Change in fair value of plan assets during the year		
(1) Fair value of plan assets at year beginning	**118.04**	96.75
(2) Interest income on plan assets	**9.15**	8.05
(3) Expected return on plan assets other than interest income	**(1.48)**	(1.07)
(4) Contribution made by the Employer	**16.56**	20.60
(5) Benefits paid	**(16.40)**	(6.31)
(6) Fair value of plan assets at year end	**125.87**	118.04
(C) Reconciliation of obligation and fair value of assets		
(1) Present value of the obligation at year end	**219.85**	172.44
(2) Fair value of plan assets at year end	**125.87**	118.04
(3) Funded status [surplus / (deficit)]	**(93.98)**	(54.41)
(D) Expense recognised in the Statement of Profit and Loss		
(1) Current service cost	**24.75**	24.43
(2) Interest cost	**12.73**	11.69
(3) Interest income on plan assets	**(9.15)**	(8.05)
Net cost recognised in Profit or Loss	**28.33**	28.07
(E) Recognised in Other Comprehensive Income		
(1) Expected return on plan assets other than interest income	**1.48**	1.07
(2) Actuarial (gain) / loss arising from changes in demographic assumptions	**-**	-
(3) Actuarial (gain) / loss arising from changes in financial assumptions	**(4.48)**	9.23
(4) Actuarial (gain) / loss arising from changes in experience adjustments	**30.81**	(5.76)
Net (gain)/ loss recognised in Other Comprehensive Income	**27.81**	4.53
(F) Net Defined benefit liability/(Asset) Reconciliation		
(1) Net Defined benefit liability/(Asset) at the beginning of the year	**54.41**	42.41
(2) Defined benefit cost included in P/L	**28.33**	28.07
(3) Total remeasurement included in OCI	**27.81**	4.53
(4) Employers contribution	**(16.56)**	(20.60)
Net Defined benefit liability/(Asset) at the end of the year	**93.98**	54.41

(Rs. In Lacs)

II Maturity profile of defined benefit obligations:

	2017-18	2016-17
Year 1	**15.55**	13.62
Year 2	**72.57**	-
Year 3	**120.18**	2.11
Year 4	**64.41**	14.27
Year 5	**24.76**	3.25
Year 6	**82.98**	3.11
Year 7	**117.62**	12.09
Year 8	**85.74**	2.51
Year 9	**34.12**	3.74
Year 10	**43.53**	117.74
Total expected payments	**661.46**	172.44

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.52 Years (31st March,2017: 8.28 years).
The best estimate contribution for the company during the next year would be Rs 55.61 lacs. (31st March,2017: Rs. 50.09 lacs).
Amount payable upon discontinouance of all employment is INR 263.82 lacs. (31st March,2017: Rs. 206.90 lacs).

III Experience Adjustments on Present Value of DBO and Plan Assets

	2017-18	2016-17
(Gain)/Loss on Plan Liabilities	**30.81**	(5.76)
% of Opening Plan Liabilities	**17.87%**	-4.14%
(Gain)/Loss on Plan Assets	**1.48**	1.07
% of Opening Plan Assets	**1.25%**	1.11%

IV Quantitative sensitivity analysis for significant assumptions considered for defined benefit obligation (Gratuity):

Sensitivity analysis presented below represents expected change in present value of defined benefit obligation based on reasonably possible changes in the assumptions occurring at the year end.

	2017-18	2016-17
Defined Benefit Obligation (Base)	**219.85**	172.44
(1) One percentage increase in discount rate	**203.04**	154.66
(2) One percentage decrease in discount rate	**239.31**	193.19
(3) One percentage increase in rate of salary escalation	**238.79**	192.00
(4) One percentage decrease in rate of salary escalation	**203.06**	154.97
(5) One percentage increase in rate of withdrawl rate	**222.09**	174.34

	Gratuity (Funded)	
	2017-18	2016-17
V Actuarial Assumptions		
(1) Discount rate	**7.75%**	7.50%
(2) Mortality Rate	IALM (2006-08) Table	
(3) Salary Esclation - First 5 years	**6% p.a**	6% p.a
(4) Salary Esclation - After 5 years	**6% p.a**	6% p.a
(5) Expected Rate of Return on Plan Assets	**7.75%**	7.50%
(6) Disability Rate	5% of Mortality Rate	5% of Mortality Rate
(7) Retirement Age	**60 years**	60 years
(8) Average Future Service	**21.97**	23.03
(9) Withdrawal rates , based on age: (per annum)		
Up to 25 years	**8.00%**	8.00%
26 - 30 years	**7.00%**	7.00%
31 - 35 years	**6.00%**	6.00%
36 - 40 years	**5.00%**	5.00%
41 - 45 years	**4.00%**	4.00%
46 - 50 years	**3.00%**	3.00%
51 - 55 years	**2.00%**	2.00%
Above 56 years	**1.00%**	1.00%

VI Weighted average Asset allocation (as percentage of total plan assets)

	2017-18	2016-17
(1) Equities	**-**	-
(2) Bonds	**-**	-
(3) Gilts	**-**	-
(4) Insurance Policies	**100%**	100%
Total	**100%**	100%

40 Disclosures as required by Ind AS 108, Operating Segments

(a) Identification of Operating Segments:
The Compnay Operate in a Single Reportable Operating Segment i.e. manufacturing and sale of PVC , XLPE, AF and EP Compound which have similar risk and returns and are of similar nature.
No other operating segments have been aggregated to form the above reportable operating segments as per the criteria specified in the Ind AS.

(b) Business Segment wise revenue/results/assets/liabilities
Since there is Single Reportable Operating Segment hence disclosure of Operating Segment wise Assets,Liabilities, Revenue and Results are not applicable.

(Rs. In Lacs)

(c) Geographical Information		**As at 31st March 2018**	As at 31st March 2017
(i)	**Segment revenue by location of Customers:**		
	India	**144,391.82**	177,617.99
	Overseas	**32,409.19**	36,090.34
	Total	**176,801.02**	213,708.33
(ii)	**Segment Assets by location (Property, Plant & Equipment, Investment Property & Other Intangible Assets)**		
	India		
	East	**6,805.65**	4,791.68
	West	**17,579.37**	17,575.69
	Others	**40.13**	46.35
	Overseas	**-**	-
		-	-
	Total	**24,425.16**	22,413.72

(d) The Company does not have material amount of tangible, intangible assets and non current operating assets located outside India.

(e) Product wise revenue from external customers has been detailed in Note No 27.

(f) Revenue from five customers is INR 19,471.97 (P.Y 23,386.18) lacs which is more than 10% of the total revene of the Company

41 (A) Related parties and their relationship with the Company :

(i)	Key Management Personnel of the Company:	Mr. Narrindra Suranna Mr. Rajesh Kothari Mr. P.R.Mukherjee Mr. I.C Dakalia Ms. Tanvi Panday
(ii)	Relative of Key Management Personnel	Mrs. Tara Devi Surana Mrs. Sarla Devi Surana Mr. Surendra Kumar Surana Mr. Dev Krishna Surana
(iii)	Shareholder Holding more than 20% of Equity Shares of the Company	Sri Ram Financial Consultants Pvt Ltd.
(iv)	Subsidiary Company:	Plastic Processor and Exporters Pvt Ltd.
(v)	Associate Company:	Kkalpana Plasticks Limited
(vi)	Enterprises over which key management personnel are able to exercise significant influence with whom there were transactions during the year :	Bbigplas Poly Pvt. Ltd. Krishna Commodeals Pvt. Ltd. Inbara Holdings Pvt. Ltd. Shyambaba Trexim Pvt. Ltd.

(B) Disclosure of transactions with Related Parties

Nature of transactions	Ref. to Note (A) above	2017-18	2016-17
		(Rs. In Lacs)	
Remuneration to KMP			
Mr. Narrindra Suranna	(i)	**42.00**	33.60
Mr. Rajesh Kothari	(i)	**40.00**	25.00
Mr. P.R.Mukherjee	(i)	**18.00**	18.00
Mr. I.C Dakalia	(i)	20.90	14.30
Ms. Tanvi Panday *	(i)	5.50	-
Mr. A.B Chakraborty **		1.93	11.56
		128.33	102.46

* Effective date of joining 1st June 2017. This remuneration is proportionate CTC for period of her service.
** Former Company Secretary of Kkalpana Industries (India) Ltd. resigned w.e.f. 31st May, 2017.

Nature of transactions	Ref. to Note (A) above	2017-18	2016-17
Sale of goods			
Plastic Processors Pvt Ltd.	(iv)	**850.46**	-
Purchase of goods			
Plastic Processors Pvt Ltd.	(iv)	**702.16**	**-**
Interest expense			
Sri Ram Financial Consultants Pvt Ltd.	(iii)	**74.75**	74.75
Shyambaba Trexim Pvt. Ltd.	(vi)	**35.67**	34.83
Krishna Commodeals Pvt. Ltd.	(vi)	**4.89**	4.89
Inbara Holdings Pvt. Ltd.	(vi)	**4.03**	4.03
Rent			
Sri Ram Financial Consultants Pvt Ltd.	(iii)	**76.56**	2.00

(Rs. In Lacs)

Nature of transactions	Ref. to Note (A) above	**As at 31st March 2018**	As at 31st March 2017
Net Receivable at the year end			
Plastic Processor and Exporters Pvt Ltd.	(iv)	**144.90**	-
Loan taken & outstanding at year end			
Sri Ram Financial Consultants Pvt Ltd.	(iii)	**1,800.00**	1,800.00
Shyambaba Trexim Pvt. Ltd.	(vi)	**840.00**	840.00
Krishna Commodeals Pvt. Ltd.	(vi)	**115.00**	115.00
Inbara Holdings Pvt. Ltd.	(vi)	**95.00**	95.00

The transactions with related parties are net of taxes & reimbursement of expenses and have been made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

42 Fair Value Measurement

The fair value of the financial assets and liabilities are included at 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 following methods and assumptions were used to estimate the fair values:

(1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables , other current liabilities, short-term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments.

(2) Financial instruments with fixed and variable interest rate are evaluated by the Company based on parameter such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.
Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.
Level 3 : techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

The following tables provides classification of financial instruments and the fair value hierarchy of the Company's assets and liabilities.

(a) Disclosure for the year ended 31st March, 2018 (Rs. In Lacs)

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
(1) Financial Assets					
Financial Assets at amortised cost					
Trade Receivables	33,113.05	33,113.05			33,113.05
Loans	741.39	741.39			741.39
Other Financial assets excluding derivative financial instruments	513.53	513.53			513.53
Cash & cash equivalents	1,687.83	1,687.83			1,687.83
	36,055.80	36,055.80			36,055.80
Financial Assets at cost					
Investments in equity shares					
Kkalpana Plastiks Limited	200.29	200.29			
Plastic Processor and Exporters Pvt Ltd.	36.00	36.00			
	236.29	236.29		-	-
Financial Assets at fair value through profit or loss					
Derivative financial instruments	86.86	86.86		86.86	
	86.86	86.86		86.86	-
Assets for which fair values are disclosed					
Investment Property (Refer Note no. 6(b))	-				
Total	36,378.95	36,378.95		86.86	36,055.80
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from banks and financial institutions	22,431.18	22,431.18			22,431.18
Trade Payables	26,690.97	26,690.97			26,690.97
Other Financial liabilities excluding derivative financial instruments	1,026.92	1,026.92			1,026.92
Total	50,149.07	50,149.07			50,149.07

(b) Disclosure for the year ended 31st March, 2017 (Rs. In Lacs)

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
(1) Financial Assets at amortised cost					
Trade Receivables	33,975.34	33,975.34			33,975.34
Loans	73.53	73.53			73.53
Other Financial assets excluding derivative financial instruments	965.19	965.19			965.19
Cash & cash equivalents	1,558.84	1,558.84			1,558.84
	36,572.90	36,572.90			36,572.90
Financial Assets at cost					
Investments in equity shares					
Kkalpana Plastiks Limited	200.29	200.29			
Plastic Processor and Exporters Pvt Ltd.	36.00	36.00			
	236.29	236.29			
Financial Assets at fair value through profit or loss					
Derivative financial instruments					
Investment in Equity shares	0.01	0.01	0.01		
	0.01	0.01	0.01		
Total	36,809.20	36,809.20	- 0.01	-	36,572.91
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from banks and financial institutions	35,105.07	35,105.07			35,105.07
Trade Payables	14,727.76	14,727.76			14,727.76
Other Financial liabilities excluding derivative financial instruments	1,286.66	1,286.66			1,286.66
Total	51,119.49	51,119.49			51,119.49

(c) Disclosure for the year ended 1st April, 2016

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
(1) Financial Assets at amortised cost					
Trade Receivables	36,284.40	36,284.40			36,284.40
Loans	32.28	32.28			32.28
Other Financial assets excluding derivative financial instruments	2,102.17	2,102.17			2,102.17
Cash & cash equivalents	1,879.70	1,879.70			1,879.70
	40,298.55	40,298.55			40,298.55
(2) Financial Assets at cost					
Investments in equity shares					
Kkalpana Plastiks Limited	200.29	200.29			
	200.29	200.29			-
Financial Assets at fair value through profit or loss					
Derivative financial instruments	-	-			
Investment in Equity shares	-	-			
	-	-			-
Total	40,498.84	40,498.84			40,298.55
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from banks and financial institutions	34,759.09	34,759.09			34,759.09
Trade Payables	13,394.16	13,394.16			13,394.16
Other Financial liabilities excluding derivative financial instruments	1,126.20	1,126.20			1,126.20
Total	49,279.45	49,279.45			49,279.45

(d) Description of significant unobservable inputs to valuation:

Financial Asset/ Liability	Valuation Technique	Significant unobservable input
Trade Receivables	ECL	Realisation pattern or past experience
Loans	DCF using EIR method	Discount rate
Other Financial assets excluding derivative financial instruments	DCF using EIR method	Discount rate
Borrowings from banks and financial institutions	DCF using EIR method	Discount rate

43 Financial Risk Management Objective and Policies:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and advances from customers. The main purpose of these financial liabilities is to finance the Company's operations, projects under implementation and to provide guarantees to support its operations. The Company's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes to be undertaken. The Board of Directors reviews and finalises policies for managing each of these risks, which are summarised below.

(a) 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. Market risk comprises three types of risk: interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include investments and deposits, foreign currency receivables, payables, loans and borrowings and derivative financial instruments.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

(i) 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. In order to optimize the Company's position with regard to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Interest rate sensitivity

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

	2017-18	2016-17
	(+/ -) 50 Basis Points	(+/ -) 50 Basis Points
Effect on profit before tax due to interest rate sensitivity	**91.43**	110.49

(ii) 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 and financing activities. The Company manages its foreign currency risk by hedging transactions that are expected to realise in future.

Foreign Currency Exposure		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		Foreign Currency	Functional Currency (Rs. in Lacs)	Foreign Currency	Functional Currency (Rs. in Lacs)	Foreign Currency	Functional Currency (Rs. in Lacs)
I Hedged							
Forward contracts for imports	**USD**	5,550,000.00	3,609.72				
Forward contracts for exports	**USD**	4,000,000.00	2,601.60				
Term loan	**USD**	-	-	1,781,250.00	1,022.00	6,531,250.00	3,821.00
II Not hedged							
Trade receivables	**USD**	3,446,684.83	2,241.72	5,055,468.00	3,278.00	6,224,503.00	4,129.00
	EURO	2,826,250.38	2,278.52	1,597,653.00	1,104.00	390,600.00	293.00
Trade payables	**USD**	2,780,438.10	1,808.40	3,544,350.00	2,298.00	7,878,322.00	5,226.00
	EURO	405,075.00	326.57	175,693.00	121.00	87,876.00	66.00
Cash & bank balance							
Foreign currency loan availed under buyers' credit	**USD**	3,615,852.30	2,350.74	11,666,399.29	7,564.33	12,768,415.20	8,469.66

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of unhedged monetary assets and liabilities.

(Rs. in lacs)

	2017-18	2016-17
	(+/-) 5%	(+/-) 5%
Effect on profit before tax		
USD	**(95.92)**	(334.31)
Euro	**97.60**	49.24
	1.68	(285.08)

Derivative Financial Instrument

The company holds Derivative financial instrument such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposures. The counterparty for this contract is generally a Bank. Although the company believes that these derivatives constitute hedges from an economic perspective these do not qualify for hedge accounting as per IND AS 109, Financial instrument. Since the above derivatives are not designated as hedges, such derivatives are categorised as financial asset or financial liability at fair value through profit & loss.

(Rs. in lacs)

	As at 31st March, 2018		As at 31st March, 2017	
	In USD	Fair Value as on 31.03.2018	In USD	Fair Value as on 31.03.2018
Derivatives not designated as hedges				
Forward Contracts	**5,550,000.00**	**64.74**		
Option Contracts	**4,000,000.00**	**22.12**	1,781,250.00	-

(iii) Commodity price risk

Principal Raw Material for Company's products is variety of plastic polymers which are primarily Derivatives of Crude Oil. Company sources its raw material requirement from across the globe. Domestic market prices are also generally remains in sync with international market price scenario. Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand–supply scenario in the world market affect the effective price and availability of polymers for the Company. Company effectively manages with availability of material as well as price volatility through:

1. Widening its sourcing base
2. Appropriate contracts and commitments
3. Well planned procurement & inventory strategy and
4. Prudent hedging policy on foreign currency exposure

Risk committee of the Company comprising members from Board of Directors and operations has developed and enacted a risk management strategy regarding commodity Price risk and its mitigation.

(b) Credit Risk

Credit risk is the risk that a counter party 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 advances to suppliers) and from its financing activities, including deposits and other financial instruments.

(i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's 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.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

The ageing analysis of the receivables (gross of provisions) have been considered from the date of the invoice falls due.

(Rs in Lacs)

	As at 31st March, 2018	As at 31st March, 2017
Less than 6 months	**33,568.93**	34,569.40
6 to 12 months	**107.56**	222.50
more than 12 months	**55.61**	178.81
Total	**33,732.10**	34,970.71

(ii) Financial Instruments and Cash and bank balances

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Credit limits of all authorities are reviewed by the Management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to these entities.

(c) Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit, letter of credit, factoring,bill discounting and working capital limits.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

(Rs in Lacs)

31st March, 2018	**Less than 1 year**	**1 to 5 years**	**> 5 years**	**Total**
Borrowings				
Term Loans from Banks	**1,501.58**	**4,626.23**	**-**	**6,127.81**
Long Term Loans from Others	**-**	**1,862.27**	**-**	**1,862.27**
Cash credit from Banks	**12,090.36**	**-**	**-**	**12,090.36**
	-	**-**	**-**	**-**
Buyers credit from Banks	**2,350.74**	**-**	**-**	**2,350.74**
	-	**-**	**-**	**-**
Other Financial Liabilities other than current maturities of borrowings and lease obligation	**1,026.93**	**-**	**-**	**1,026.93**
Trade Payables	**26,690.97**	**-**	**-**	**26,690.97**
	43,660.57	**6,488.50**	**-**	**50,149.07**

31st March, 2017	**Less than 1 year**	**1 to 5 years**	**> 5 years**	**Total**
Borrowings				
Term Loans from Banks	1,870.36	4,964.58	-	6,834.94
Long Term Loans from Others	-	1,686.37	-	1,686.37
Cash credit from Banks	19,019.43	-	-	19,019.43
Buyers credit from Banks	7,564.33	-	-	7,564.33
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,286.65	-	-	1,286.65
Trade Payables	14,727.76	-	-	14,727.76
	44,468.54	6,650.94	-	51,119.48

1st April, 2016	**Less than 1 year**	**1 to 5 years**	**> 5 years**	**Total**
Borrowings				
Term Loans from Banks	3,000.15	3,993.65	-	6,993.80
Long Term Loans from Others	-	1,560.28	-	1,560.28
Cash credit from Banks	17,735.34	-	-	17,735.34
Buyers credit from Banks	8,469.66	-	-	8,469.66
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,126.20	-	-	1,126.20
Trade Payables	13,394.16	-	-	13,394.16
	43,725.51	5,553.93	-	49,279.44

44 Capital Management:

A. For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders, including capital reserve and net debt includes interest bearing loans and borrowings except cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

(Rs in Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Borrowings	**22,431.18**	35,105.06	34,759.08
Less: Current investments	**-**	-	-
Less: Cash and cash equivalents	**1,687.82**	1,558.85	1,879.70
(a) Net Debt	**24,119.01**	36,663.91	36,638.78
(b) Equity	**29,579.98**	27,400.93	24,513.85
(c) Equity and Net Debt (a+b)	**53,698.99**	64,064.84	61,152.63
Gearing Ratio (a/c)	**44.92%**	57.23%	59.91%

B. Proposed Dividend

The Board of directors in its Board meeting held on 30th May 2018 have recommended the payment of a final dividend of Rs 0.24 paise per fully paid up equity share (March 31,2017 - Rs NIL), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

45 Earning per share (EPS)

		2017-18	2016-17
(a) Face value of equity shares	Rs.	**2.00**	2.00
(b) Profit attributable to equity shareholders	Rs. In Lacs	**2,197.24**	2,627.83
(c) Weighted average number of equity shares outstanding	Nos.	**94,072,930.00**	94,072,930.00
(d) Weighted average earning per share (basic and diluted)	Rs.	**2.33**	2.79

46 Research & Development Expenses

The Company has in-house R&D centre. The details of revenue/capital expenditure incurred by the said R&D Centre during the year are as follows:-

(Rs in Lacs)

	2017-18	2016-17
(a) Revenue expenditure charged to Statement of Profit and Loss		
Other Expenses	**16.08**	13.83
(b) Capital expenditure shown under fixed assets schedule	**102.17**	204.89
Grand Total	**118.26**	218.72

47 Assets Pledged as Security

The carrying amount of Assets pledged as security for current and non current borrowings are :-

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current			
Financial Assets			
First Pari Passu Charge			
Trade Receivables	**33,113.05**	33,975.34	36,284.40
Other Current Assets	**7,585.09**	4,413.93	6,144.46
Floating Charge			
Cash and Cash Equivalanct	**1,687.83**	1,558.84	1,879.70
Non Financial Assets			
First Charge			
Inventories	**15,543.90**	17,356.32	10,007.88
Total Current Assets Pledged as Security	**57,929.87**	57,304.43	54,316.44
Non Current			
Exclusive Charge			
Imovable properties located at Bhasa Unit.	**131.99**	131.99	131.99
First Pari Passu Charge			
Movable and immovable properties located at Surangi Unit	**14,220.24**	15,089.10	15,221.11
Movable and immovable properties located at Daman Unit	**1,645.17**	769.71	450.47
Movable and immovable properties located at Silvassa Unit	**1,511.87**	1,519.97	1,453.49
Movable and immovable properties located at Bhasa Unit	**631.70**	938.77	1,012.13

48 VALUE OF IMPORTED AND INDEGENEOUS MATERIAL CONSUMED

(Rs in Lacs)

Particulars	As at 31st March, 2018	%age of Total Consumption	As at 31st March, 2017	%age of Total Consumption
Raw Materials				
i Imported	**66,497.29**	**45%**	89,617.49	52%
ii Indegeneos	**82,379.26**	**55%**	82,937.66	48%
Total	**148,876.55**	**100%**	172,555.15	100%
Store, Spare parts and Components				
i Imported	**149.02**	**35%**	61.58	44%
ii Indegeneous	**277.65**	**65%**	75.26	56%
Total	**426.67**	**100%**	136.84	100%

49 VALUE OF IMPORTS ON CIF BASIS

Particulars	As at March 31st, 2018	As at March 31st, 2017
Raw Materials	**60,564.17**	83,608.27
Stors, Spare parts and Components	**150.51**	124.07
Capital Goods	**140.31**	1,293.92
Total	**60,854.99**	85,026.26

50 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

	As at March 31st, 2018	As at March 31st, 2017
Exports at FOB Value	**32,409.19**	36,090.34
Total	**32,409.19**	36,090.34

51 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	As at March 31st, 2018	As at March 31st, 2017
Travelling	**11.69**	18.17
Exhibition	**12.99**	77.59
Interest	**112.46**	314.70
Other Matters	**5.73**	63.31
Total	**142.87**	473.77

52 (A) Reconciliation of Equity as at 31st March, 2016

(Rs in Lacs)

	Note no.	IGAAP As at 1st April, 2016	IndAS Adjustment	IndAS As at 1st April, 2016
A ASSETS				
1 Non-current Assets				
Property, Plant and Equipment	1	20,577.52	(1,281.68)	19,295.85
Capital Work-in-Progress		373.31	-	373.31
Investment Property	1	-	1,281.68	1,281.68
Other Intangible Assets		25.01	-	25.01
Financial Assets				
(i) Investments	2	260.92	(60.62)	200.29
(ii) Loans		-	-	-
(iii) Other Financial Assets	3	925.66	(3.26)	922.39
Other Non-Current Assets	3	339.68	3.15	342.83
Income Tax Assets (Net)		-	-	-
		22,502.09	(60.73)	22,441.36
2 Current Assets				
Inventories		10,007.89	-	10,007.88
Financial Assets				
(i) Trade Receivables	4	37,382.77	(1,098.37)	36,284.40
(ii) Cash & Cash Equivalents		1,879.69	-	1,879.70
(iii) Loans		32.28	-	32.28
(iv) Other Financial Assets		1,179.78	-	1,179.78
Other Current Assets		4,932.35	0.05	4,932.40
		55,414.76	(1,098.32)	54,316.44
Total		77,916.85	(1,159.05)	76,757.80
B EQUITY & LIABILITIES				
1 Equity				
Equity Share Capital		1,881.46	-	1,881.46
Other Equity	5	22,447.25	185.14	22,632.39
		24,328.71	185.14	24,513.85
2 Non Current Liabilities				
Financial Liabilities				
(i) Borrowings	6	6,996.29	(1,442.37)	5,553.94
(ii) Other Financial Liabilities				
Provisions		42.41	-	42.41
Deferred Tax Liabilities (net)	7	2,073.37	98.18	2,171.54
		9,112.08	(1,344.19)	7,767.89
3 Current Liabilities				
Financial Liabilities				
(i) Borrowings		26,205.00	-	26,205.00
(ii) Trade Payables		13,394.16	-	13,394.15
(iii) Other Financial Liabilities		4,126.35	-	4,126.35
Other Current Liabilities		180.28	-	180.28
Provisions		146.84	-	146.84
Current Tax Liabilities (net)		423.44	-	423.44
		44,476.07	-	44,476.06
Total		77,916.85	(1,159.05)	76,757.80

(B) Reconciliation of Equity as at 31st March, 2017

(Rs in Lacs)

	Note no.	IGAAP As at 31st March 2017	IndAS Adjustment	Ind AS As at 31st March 2017
A ASSETS				
1 Non-current Assets				
Property, Plant and Equipment	1	22,393.07	(1,281.68)	21,111.39
Capital Work-in-Progress		1,401.00	-	1,401.00
Investment Property	1	-	1,281.68	1,281.68
Other Intangible Assets		20.69	-	20.69
Financial Assets				
(i) Investments	2	289.60	(53.30)	236.30
(ii) Loans		-	-	-
(iii) Other Financial Assets	3	809.78	(113.31)	696.47
Other Non-Current Assets	3	(188.00)	341.50	153.50
		24,726.15	174.88	24,901.03
2 Current Assets				
Inventories		17,356.32	-	17,356.32
Financial Assets				
(i) Investments				
(ii) Trade Receivables	4	34,970.71	(995.36)	33,975.35
(iii) Cash & Cash Equivalents		1,558.84	-	1,558.84
(iv) Loans		73.53	-	73.53
(v) Other Financial Assets		158.42	110.30	268.72
Other Current Assets	3	4,070.84	0.84	4,071.68
		58,188.66	(884.22)	57,304.44
Total		82,914.80	(709.34)	82,205.47
B EQUITY & LIABILITIES				
1 Equity				
Equity Share Capital		1,881.46	-	1,881.46
Other Equity	5	25,283.31	236.16	25,519.47
		27,164.77	236.16	27,400.93
2 Non Current Liabilities				
Financial Liabilities				
(i) Borrowings	6	8,109.14	(1,458.19)	6,650.95
Provisions		54.41	-	54.41
Deferred Tax Liabilities (net)	7	2,410.05	37.61	2,447.66
		10,573.60	(1,420.58)	9,153.02
3 Current Liabilities				
Financial Liabilities				
(i) Borrowings		26,583.76	-	26,583.76
(ii) Trade Payables		14,727.76	-	14,727.76
(iii) Other Financial Liabilities		2,681.93	475.08	3,157.02
Other Current Liabilities		309.58	-	309.57
Provisions		167.97	-	167.97
Current Tax Liabilities (net)		705.44	-	705.44
		45,176.44	475.08	45,651.52
Total		82,914.80	(709.34)	82,205.47

(C) Reconciliation of profit or loss for the year ended 31 March, 2017

Rs in Lacs

		Note no.	IGAAP 2016-17	IndAS Adjustment	IndAS 2016-17
I	**INCOME**				
	Revenue from Operations	8	195,485.71	18,222.62	213,708.33
	Other Income	9	1,079.82	1.46	1,081.28
	Total Income		196,565.53	18,224.08	214,789.61
II	**EXPENSES**				
	Cost of Materials Consumed		172,555.15	-	172,555.15
	Purchase of Stock-in-Trade		-	-	-
	Changes in Inventories of Finished Goods &		497.09	-	497.09
	Work-in-Progress				
	& Stock-in-Trade		-	-	-
	Excise Duty		-	18,699.98	18,699.98
	Employee Benefits Expense	10	2,216.36	(4.53)	2,211.83
	Finance Costs	11	5,278.57	119.83	5,398.40
	Depreciation & Amortization Expense	12	1,313.76	0.19	1,313.95
	Other Expenses	13	10,967.47	(586.18)	10,381.29
	Total Expenses		192,828.40	18,229.29	211,057.69
III	**PROFIT BEFORE TAX**		3,737.14	(5.22)	3,731.92
	Tax expense				
	Current tax		826.41	-	826.41
	Tax for Previous Year		-	-	-
	Deferred tax	7	336.68	(59.00)	277.68
	Total Tax expense		1,163.09	(59.00)	1,104.09
IV	**PROFIT FOR THE YEAR AFTER TAX**		2,574.05	53.78	2,627.83
V	**OTHER COMPREHENSIVE INCOME**				
	i Items that will not be classified to profit and loss	14	-	(4.53)	(4.53)
	ii Income tax relating to items that will not be classified to profit and loss	14	-	1.57	1.57
	Total Other Comprehensive Income For The Year		-	(2.96)	(2.96)
VII	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX**		2,574.05	50.82	2,624.87

(D) Notes to the Reconciliation

1. **Property Plant & Equipment**

   The Company has elected to measure all its Property, Plant and Equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016. However, the Company has identified and reclassifed Land at West Bengal amounting Rs 1281.67 Lacs immovable properties as Investment Properties on the date of transition i.e. 1st April, 2016 on the basis of currently undermined future use and the same has been adjusted accordingly on the 1st April 2015 & 31st March 2016.

2. **Non Current Investments**

   The company holds certain investments in Quoted Equity shares as well as unquoted equity shares. As per IND AS 109, these investments are to be measured at Fair value through profit & loss. Loss at the time of transition of Rs. 60.22 lacs is recognised in retained earnings and subsequent gain of Rs. 135.10 only is recognised in statement of profit and loss. Also investment amounting to Rs 7.32 lacs has been written back in the statement of profit and loss in the financial year 2016-17 as the same has been written off as on the transition date.

   The company also holds certain Investments in Government and trust securities such as Kisan Vikas Patra, National Saving Certificate etc. The company has no expectations of recovering such investment in its entirety such investment has been written off and adjusted with Retained earnings amounting to Rs 0.40 lacs.

3 Other Non Current Financial Assets/ Non Current Assets & Current Assets

The Company has recognized the present value of security deposit receivable as on the transition date due to which Rs. 3.20 lacs has been de-recognised from the security deposit receivable and Prepaid Rent of the same amount has been recognised. In the financial year 2016-17 Rs. 0.96 Lacs has been de-recognised from the security deposit receivable and Prepaid Rent of the same amount has been recognised. Subsequent to the date of transition to IND AS interest income has been recognised by increasing the security deposit receivable on account of discounting factor and also prepaid rent would be subsequently expensed off over the life of such security deposits, accordingly 0.76 lacs has been expensed off and Rs. 0.71 lacs has been recognised as interest income in Retained earnings as on transition date. Subesquently in the financial year 2016-17 Rs. 1.51 lacsof rent has been expensed off and Rs. 1.46 lacs has been recognised as interest income in Retained earnings. Prepaid portion of Security deposit has also been further sub classified as Current , Non - Current based on realisation criteria.

4 Current Trade Receivables

The Company has applied practical expediency in calculation of the expected credit losses on trade receivables by using the provision matrix for each business segment as detailed in Note No. 13 of notes to the financial statements. Outstanding balance of provision as at 31st March, 2017: Rs.9.95 crores and as at 1st March, 2016: Rs.10.98 Crore.

5 Other Equity

The adjustments pertaining to opening balance sheet at the time of transition to Ind AS are adjusted into retained earnings and subsequently , the adjustments are made into Profit or Loss or Other Comprehensive Income as prescribed under Ind AS.

		As at 31st March, 2017 (Adjusted through P/L)	As at 1st April, 2016 (Adjusted through Retained Earnings)
(i)	Investment written off	-	(0.40)
(ii)	Fair Valuation of Investment through P/L	0.00	(60.22)
(iii)	Amortisation of transaction cost	39.19	38.00
(iv)	Unwinding of Interest due to Present Value of Security Deposit	1.46	0.71
(v)	Notional Rent on security deposit	(1.51)	(0.77)
(vi)	Deferred tax impact	60.57	(98.18)
(vii)	Fair Valuation of Unsecured loan	(159.02)	1,404.36
(viii)	Provision for Doubtful debt	103.01	(1,098.37)
(ix)	Investment written back	7.32	-
		51.01	185.14

6 Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings were amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and subsequently charged to profit or loss using the effective interest method. Accordingly as on the transition date, processing fees of Rs. 38.00 lacs has been included in the initial recognition amount of the borrowings by crediting Retain earnings. In the subsequent year 2016-17 processing fees of Rs. 49.07 Lacs has further been included in the initial recognition amount of borrowings by subsequently crediting Profit & loss account and Rs. 9.89 Lacs has been debited to Profit & Loss a/c on account of amortisation of processing fees. The company has taken unsecured loan from related parties at lower interest rate and the same has been measured at amortised cost using present value technique considering interest rate prevailing in market. Accordingly Rs. 14.04 crores has been credited to Retain earnings on account of fair valuation as on transition date and subsequently Rs. 1.59 crores has been debited to profit & Loss on account of interest provision on such unsecured loan.

7 Deferred Tax Liability/Asset

Indian GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. On the date of transition, the net impact on deferred tax liabilities of Rs.98.18 lacs has been recognised in retained earnings and for the year ended 31st March 2017,deferred tax liability reversal of Rs.60.57 lacs has been recognised in statement of profit and loss.

8 Sale of Goods

Under IND AS volume discount are to be netted off from sale of product which was accounted as expense under Indian GAAP. Hence sale of product is reduced by Rs. 477.36 lacs for the period ended 31st March 2017. Under Indian GAAP sale of goods was presented as net of excise duty. However under INDAS sale of goods include excise duty. Excise duty on sale of goods is seperately presented on the face of statement of profit & loss. Accordingly sale of goods under INDAS for the year ended 31st march 2017 has increased by 18699.98 lacs.

9	**Other Income**	**2016-17**
	Unwinding of Interest due to Present Value of Security Deposit	1.46
		1.46

10 Employee Benefit Expenses

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in the balance sheet through OCI. Thus the employee benefit expense is reduced by Rs.4.53 Lacs and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

11	**Finance Cost**	**2016-17**
(i)	Amortisation of transaction cost of borrowings	9.89
(ii)	Reversal of transaction cost debited in P/L as per IGAAP	(49.08)
(ii)	Unwinding of interest in respect to Unsecured loan at lower interest rate	159.02
		119.83
12	**Depreciation and amortisation expense**	**2016-17**
(i)	Depreciation on Revaluation Reserve reversed	(0.19)
		(0.19)
13	**Other Expenses**	**2016-17**
(i)	Fair valuation of Investment through P/L	-
(ii)	Notional Rent on Security Deposit	1.51
(iii)	Investment written back	(7.32)
(iv)	Provision for Doubtful debt	(103.01)
(v)	Discount allowed netted off with Revenue	(477.36)
		(586.18)
14	**Other Comprehensive Income**	**2016-17**
(i)	Remeasurement of defined benefits plans	(4.53)
		(4.53)

(E) There is no material impact on the Statement of Cash Flows due to the transition from previous GAAP to Ind AS.

53 Standard issued but not yet effective

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounts Standards) Amendment Rules, 2018 has notified the following amendments to Ind AS viz. Ind AS 115- Revenue from contracts with Customers, Ind AS-21- The effect of charges in Foreign Exchange Rates, Ind AS 12 - Income Taxes, Ind AS 40 - Investment Property & Ind AS 28 - Investments in Associates and Joint Ventures which the Company has not applied as they are effective for annual periods begining on or after 1st April, 2018.

Previous year figures have been regrouped/rearranged/ reclassified where necessary to correspond with current year figures.

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

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)
Whole Time Director

B. Mukherjee
Partner
Membership No. 002941
Date: 30.05.2018
Place: Kolkata

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KKALPANA INDUSTRIES (INDIA) LIMITED

Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of **KKALPANA INDUSTRIES (INDIA) LIMITED** ("the Group"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

   Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Group'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 consolidated 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 Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India.

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

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

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

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us,the aforesaid consolidated 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 Group as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

7. The corresponding financial information of the Group as at and for the year ended 31 March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued financial statements for the years ended 31st March, 2017 and 31st March, 2016,prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion vide our audit report dated 30th May, 2017 and 30thMay, 2016 respectively which is also explained in Notes to the attached financial statements. These financial statements have been adjusted for differences in accounting principles to comply with Ind AS and such adjustments on transition to Ind AS which has been approved by the Group's Board of Directors have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. 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 "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

9. As required by Section 143(3) of the Act, based on our audit, 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 purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to financial statements of the Group.

   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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements as stated in note 36 to the financial statement.

ii. The Group 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 Group.

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

B.Mukherjee
(Partner)
Mem No : 002941

Place: Kolkata
Date: 30th day of May, 2018

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 8 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Kkalpana Industries (India) Limited for the year ended 31st March 2018)

We report that:

i. In respect of its fixed assets:

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

b) As per the information and explanations given to us, physical verification of fixed assets have been carried out in terms of the phased program of verification of its fixed assets adopted by the Group and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Group and nature of its business.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Group, the title deeds of immovable properties are held in the name of the Group.

ii. As per the information and explanations given to us, the inventories have been physically verified at reasonable intervals during the year by the management and no material discrepancies between book stock and physical stock have been found.

iii. The Group has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Group has not given any loan, not made any investment and have not provided any guarantee in respect of which Section 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, the paragraph 3(iv) of the Order is not applicable.

v. According to information and explanations given to us, the Group has not accepted any deposits from public during the year.

vi. We have broadly reviewed the books of accounts maintained by Group in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Group, the Group is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, the dues of Income Tax , sales tax, duty of excise, service tax and value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2018 are as under :-

Name of the statute	Nature of dues	Amount Rs. in Lacs	Assessment Year	Forum where dispute is pending
Income Tax Act 1961	Income Tax	25.46*	2012-13	CIT (A)
	Income Tax	123.02*	2011-12	CIT (A)
	Income Tax	153.16	2010-11	ITAT

*Net of amounts paid under protest.

viii. The Group has not defaulted in repayment of dues to Financial Institutions or Banks or Government or Debenture holders.

ix. The Group did not raise any money by way of initial public offer or further public offer including debt instruments during the year. However the Group has raised Term Loan during the year and has applied the same for the purpose for which term loans are raised.

x. According to the information and explanations given to us, no material fraud by the Group or on the Group by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Group, the Group has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Group is not a Nidhi Group. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Group, 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 financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Group, the Group has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Group, the Group has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Group is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

B.Mukherjee
(Partner)
Mem No : 002941

Place: Kolkata
Date: 30th day of May, 2018

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **KKALPANA INDUSTRIES (INDIA) LIMITED** ("**the Group**") as of 31st March 2018 in conjunction with our audit of the financial statements of the Group for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Group's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 Group'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.

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Group'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 Group'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 Group;

(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 Group are being made only in accordance with authorizations of management and directors of the Group; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group'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 Group 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 31st March 2018, based on the internal control over financial reporting criteria established by the Group 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 B.Mukherjee & Co.,
Chartered Accountants
Firm Registration No : 302096E

B.Mukherjee
(Partner)
Mem No : 002941

Place: Kolkata
Date: 30th day of May, 2018

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018

(Rs. In Lacs)

	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A	**ASSETS**				
1	**Non-current Assets**				
	Property, Plant and Equipment	4	23,316.93	21,121.61	19,295.85
	Capital Work-in-Progress	5	410.14	1,401.00	373.31
	Investment Property	6	1,281.68	1,281.68	1,281.68
	Other Intangible Assets	7	22.29	20.69	25.01
	Goodwill		49.60	49.60	-
	Financial Assets				
	(i) Investments	8	239.04	234.72	253.92
	(ii) Loans	9	-	-	-
	(iii) Other Financial Assets	10	271.25	697.28	922.38
	Other Non-Current Assets	11	453.65	178.36	342.84
			26,044.58	24,984.94	22,494.99
2	**Current Assets**				
	Inventories	12	15,910.87	17,356.32	10,007.88
	Financial Assets				
	(i) Trade Receivables	13	32,968.15	33,975.34	36,284.40
	(ii) Cash & Cash Equivalents	14	1,697.50	1,581.77	1,879.70
	(iii) Loans	9	-	-	32.28
	(iv) Other Financial Assets	10	357.36	268.72	1,179.78
	Other Current Assets	15	6,525.38	4,071.68	4,932.40
			57,459.26	57,253.83	54,316.44
	Total		**83,503.84**	82,238.77	76,811.43
B	**EQUITY & LIABILITIES**				
1	**Equity**				
	Equity Share Capital	16	1,881.46	1,881.46	1,881.46
	Other Equity	17	27,576.96	25,550.77	22,686.02
			29,458.42	27,432.23	24,567.48
	Non-Controlling Interest		**(19.32)**	(1.86)	-
			29,439.10	27,430.37	24,567.48
2	**Non Current Liabilities**				
	Financial Liabilities				
	(i) Borrowings	18	6,488.50	6,650.94	5,553.94
	Provisions	19	93.98	54.41	42.41
	Deferred Tax Liabilities (net)	20	3,000.31	2,445.96	2,171.55
			9,582.79	9,151.31	7,767.90
3	**Current Liabilities**				
	Financial Liabilities				
	(i) Borrowings	21	14,441.10	26,583.76	26,205.00
	(ii) Trade Payables	22	26,733.13	14,731.12	13,394.16
	(iii) Other Financial Liabilities	23	2,528.50	3,157.02	4,126.34
	Other Current Liabilities	24	76.28	311.85	180.27
	Provisions	25	88.96	167.97	146.84
	Current Tax Liabilities (net)	26	613.98	705.37	423.44
			44,481.95	45,657.09	44,476.05
	Total		**83,503.84**	82,238.77	76,811.43

Significant Accounting Policies and other information 1-3
Contingent liabilities and Other notes to the financial statements

The accompanying notes form an integral part of the financial statements
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: 30.05.2018
Place: Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)
Whole Time Director

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. In Lacs)

		Note No.	As at 31st March, 2018	As at 31st March, 2017
I	**INCOME**			
	Revenue from Operations	27	175,947.19	213,708.33
	Other Income	28	793.01	1,081.66
	Total Income		**176,740.20**	214,789.99
II	**EXPENSES**			
	Cost of Materials Consumed	29	147,944.46	172,555.15
	Changes in Inventories of Finished Goods & Work-in-Progress & Stock-in-Trade	30	(106.28)	497.09
	Excise Duty		3,775.43	18,699.98
	Employee Benefits Expense	31	2,559.43	2,211.83
	Finance Costs	32	5,767.94	5,398.50
	Depreciation & Amortization Expense	4-7	1,732.91	1,314.79
	Other Expenses	33	11,791.13	10,384.26
	Total Expenses		**173,465.02**	211,061.60
III	**PROFIT BEFORE SHARE OF PROFIT/(LOSS) FROM INVESTMENT IN ASSOCIATE AND TAX**		**3,275.18**	3,728.39
IV	**SHARE OF PROFIT/(LOSS) OF ASSOCIATE**		4.33	(19.21)
V	**PROFIT BEFORE TAX**		**3,279.51**	3,709.18
	Tax expense			
	Current tax	34	688.62	826.41
	Deferred tax		563.98	277.61
			1,252.60	1,104.02
	Total Tax expense			
VI	**PROFIT FOR THE YEAR AFTER TAX**		**2,026.91**	2,605.16
VII	**OTHER COMPREHENSIVE INCOME**			
	i Items that will not be classified to profit and loss	35	**(27.80)**	(4.54)
	ii Income tax relating to items that will not be classified to profit and loss		9.62	1.57
	Total Other Comprehensive Income For The Year		**(18.18)**	(2.97)
VI	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		**2,008.73**	2,602.19
	PROFIT / (LOSS) FOR THE YEAR			
	Attributable to			
	Equity Holders of the Parent		**2,044.38**	2,605.51
	Non Controlling Interest		**(17.47)**	(0.35)
			2,026.91	2,605.16
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
	Attributable to			
	Equity Holders of the Parent		**2,026.20**	2,602.54
	Non Controlling Interests		**(17.47)**	(0.35)
			2,008.73	2,602.19
EARNING PER EQUITY SHARE				
(Face value of Rs 2/- each)				
	Basic (Rs.)		**2.17**	2.77
	Diluted (Rs.)		**2.17**	2.77
Significant Accounting Policies and other information		1-3		
Contingent liabilities and Other notes to the financial statements				

The accompanying notes form an integral part of the financial statements
This is the Profit and Loss statement referred to in our report of even date.

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

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)
Whole Time Director

B. Mukherjee
Partner
Membership No. 002941
Date: 30.05.2018
Place: Kolkata

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. In Lacs)

	As at 31st March, 2018		As at 31st March, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax from continuing operations		**3,275.18**		3,724.29
Adjustment for:				
Depreciation & amortization expense	**1,732.91**		1,314.79	
Loss/(Profit) on sale of fixed assets	**10.94**		(114.24)	
Effect of exchange rate difference trasnfered to FCMTDA	**-**		262.22	
Unwinding of Interest on security deposit	**(4.62)**		(1.46)	
Finance cost	**5,767.94**		5,398.50	
Interest income	**(137.50)**		(163.54)	
(Gain)/Loss on remeasurement of Investment at fair value	**0.01**		(0.00)	
Other comprehensive income	**(27.81)**		(4.53)	
Provision for Doubtful debts	**(376.31)**		(103.01)	
Bad debts written off	**27.57**		539.31	
Notional rent on Security deposit	**5.27**		-	
		6,998.40		7,128.03
Operating profit before Working Capital changes		**10,273.58**		10,852.32
Adjustments for Working Capital changes				
Decrease/(increase) in non current financial assets				
Loans				
Other financial assets	**(95.38)**		(2.10)	
Decrease/(increase) in other non current assets	**(280.56)**		172.91	
Decrease/(increase) in inventories	**1,445.45**		(7,348.43)	
Decrease/(increase) in current financial assets				
Trade receivables	**409.31**		1,872.76	
Loans	**(667.86)**		(41.25)	
Other financial assets	**(88.64)**		910.45	
Decrease/(increase) in other current assets	**(2,453.70)**		860.72	
Increase/(decrease) in non current provisions	**39.57**		11.99	
Increase/(decrease) in current financial liabilities				
Trade payables	**12,969.95**		1,333.61	
Other financial liabilities	**(293.58)**		102.64	
Increase/(decrease) in other current liabilities	**(235.58)**		129.33	
Increase/(decrease) in short term provisions	**(79.01)**		21.13	
		10,669.98		(1,976.25)
Cash generated from operations		**20,943.56**		8,876.08
(Tax paid) / refund received (net)		**(780.01)**		(544.39)
Net cash from operating activities		**20,163.56**		8,331.69
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment, CWIP and Intangible assets	**(3,054.79)**		(4,235.37)	
Sale proceeds of Property, Plant and Equipment	**104.89**		197.74	
Interest receipt on investments	**137.50**		163.54	
Increase in investment in Term deposit	**504.70**		229.48	
Purchase of current investments (net)			(36.00)	
Net cash generated / (used) in investing activities		**(2,307.71)**		(3,680.62)

CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2017 (Contd…)

(Rs. In Lacs)

	As at 31st March, 2018		As at 31st March, 2017	
C. CASHFLOW FROM FINANCING ACTIVITIES				
Repayment of long term borrowings	**(338.95)**		938.00	
Increase/(decrease) in short term borrowings	**(11,843.59)**		(741.89)	
Finance cost	**(5,557.57)**		(5,155.92)	
Net cash from financing activities		**(17,740.11)**		(4,959.81)
Net changes in Cash and Bank balances		**115.73**		(308.75)
Net Increase / (-) Decrease in Cash and Bank balances				
Balance at the end of the year		**1,697.50**		1,581.77
Balance at the beginning of the year		**1,581.77**		1,890.52
Net changes in Cash and Bank balances		**115.73**		(308.75)

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows.

The accompanying notes form an integral part of the financial statements

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: 30.05.2018
Place: Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)
Whole Time Director

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. In Lacs)

A. EQUITY SHARE CAPITAL (Refer Note No. 20)

	As at 31st March, 2018	As at 31st March, 2017
Balance at the year beginning	**1,881.46**	1,881.46
Changes in equity share capital during the year	-	-
Balance at the year end	**1,881.46**	1,881.46

B. OTHER EQUITY (Refer Note No. 21)

For the year ended 31st March, 2018

Particulars	**Reserve & Surplus**					**Other Comprehensive Income**	**Total**
	Capital Reserve	**Securities Premium Reserve**	**Foreign Currency Monetary Item Translation Difference Account**	**General Reserve**	**Retained Earnings**	**Remeasurement of defined benefit plan**	
Balance as at 1st April, 2017	**852.96**	**5,322.45**	**-**	**3,400.00**	**15,978.32**	**(2.96)**	**25,550.77**
Add : For the Year							**-**
Less: Ammortized during the year							**-**
Balance as at 31st March, 2018	**852.96**	**5,322.45**	**-**	**3,400.00**	**15,978.32**	**(2.96)**	**25,550.77**

For the year ended 31st March, 2017

Particulars	Reserve & Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2016	852.96	5,322.45	(262.21)	3,400.00	13,372.82	-	22,686.02
Add: For the Year	-	-	-	-	2,605.50	(2.96)	2,602.54
Less: Ammortized During the year	-	-	262.21	-	-	-	262.21
Balance as at 31st March, 2017	852.96	5,322.45	-	3,400.00	15,978.32	(2.96)	25,550.77

The accompanying notes form an integral part of the financial statements

This is the Statement of Equity 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: 30.05.2018
Place: Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)
Whole Time Director

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

Notes to the consolidated financial statements for the year ended 31st March, 2018.

1. COMPANY INFORMATION

Kkalpana Industries (India) Limited (the Company) was incorporated in India on 03rd of September 1995. The Company is domiciled in India whose shares are listed on the Bombay Stock Exchange (BSE). The registered office is located at 2B Pretoria Street. Kolkata Plastic Processors and Exporters Pvt Limited is a subsidiary of the Company.The Parent Company along with subsidiary is engaged in the manufacturing of Plastic Compounds.

The consolidated financial statements of the Company for the year ended 31st March, 2018 were authorised for issue in accordance with a resolution of the Board of Directors as on 30.05.2018.

Group Overview

The consolidated financial statements comprise financial statements of Kkalpana Industries (India) Limited, Parent Company and its subsidiary and its associate (herein referred as "The Group"). "It is incorporated under the Indian Companies Act, 1956 and its share are listed on the Bombay Stock Exchange".

Group Structure

Name of the Company	Country of Incorporation	% of share held by the parent company as at 31st March 2018
Subsidiary		
Plastic Processor and Exporter Pvt Ltd.	India	90%
Associates		
Kkalpana Plastick Limited	India	36.23%

2 Basis of Preparation of consolidated financial statements

2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These consolidated financial statements for the year ended 31st March, 2018 are the first the Group has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Group prepared its consolidated financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The consolidated financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information.

Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Group's Balance Sheet, Statement of Profit and Loss and Statement of cash Flows are provided in Note no 53 of the consolidated financial statements.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'

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

The consolidated financial statements are presented in Indian Rupees (Rs.), which is the Group's functional currency and transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes in these consolidated financial statements.

2.2 Basis of Consolidation

A) Investment in Subsidiaries

Subsidiaries are all entities over which the group has control.Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to effect those returns through its powers over the investee. Specificaly, the Group controls an investee if and only if the Group has :

-Power over the investee (i.e. exsisting rights that give it the current ability to direct the relevant activities of the investee)

- Exposure or rights to variable returns from its involvement with the investee and,
- The ability to use its power over the investee to affect its return.

The Group re-assesses whether or not it control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group losses control of the subsidiary.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance

Consolidation Procedure

a) Combine, on line by line basis like items of assets , liabilities , equity, income, expense and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements of the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.In other words, the excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognized as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

c) Eliminate in full itragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entites of the group (profit or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are elimiated in full.)

d) Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

(i) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

(ii) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

d) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If the member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropiate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure confirmity with the group's accounting policies.

A) Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity menthod. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the aquisition date.Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. unrealised gains and losses resulting from the transaction between the Group and the associate are eliminated to the extent of the interest in the associate.

2.2 Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis (which includes deemed cost as per Ind AS 101), except for the following assets and liabilities which have been measured at fair value:

(i) Derivative financial instruments

(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

(iii) Defined benefits plans - Plan assets measured at fair value

FIRST TIME ADOPTION OF IND AS

The Group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017 with a transition date of 1st April, 2016. These consolidated financial statements for the year ended 31st March, 2018 are the first consolidated financial statements the Group has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Group prepared its consolidated financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS consolidated financial statements be applied retrospectively and consistently for all financial years presented, Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS for the year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS. The figures for the previous periods and for the year ended 31st March, 2016 have been restated, regrouped and reclassified, wherever required to comply with Ind-AS and Schedule III to the Companies Act, 2013 and to make them comparable.

In preparing these Ind AS consolidated financial statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the consolidated financial statements as at the transition date under Ind AS and Previous GAAP have been recognized directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Group in restating its consolidated financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the consolidated financial statements as at and for the year ended 31st March, 2017.

[A] Exemptions from requirement of Other IND AS

A-1] Deemed cost for property, plant and equipment, Investment Properties and intangible assets

The Group has elected to measure all its property, plant and equipment, Investment Properties and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

[A-2] Business Combination

The Group has not elected to apply IND AS 103- Business Combination , retrospectively to past business combination that are occurred before the date of transition to IND AS.

[A-3] Lease

The Group has assessed the classification of each element as finance or operating lease at the date of transition to Ind AS on the basis of the facts and circumstances existing as at that date.

[A-4] Long Term Foreign Currency Monetary Items

The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The policy is detailed in Note No 17 of Notes on Accounts.

[B] Mandatory Exceptions from retrospective application

The Group has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101.

[B-1] Estimates

On assessment of the estimates made under the Previous GAAP consolidated financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind As but not required under Previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date.

These are as under:

• Fair Valuation of financial instrument.

• Impairment of financial assets based on expected credit loss model

• Determination of the discounted value for financial instruments carried at amortised cost

[B-2] Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income or through profit & loss is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

[C] Transition to Ind AS – Reconciliations

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

[C-1] Reconciliation of Equity as at 1st April, 2016 - Refer Note no 53 A

[C-2] Reconciliation of equity as at 31st March, 2017 - Refer Note no 53 B

[C-3] Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017 – Refer Note no 53 C

[C-4] Adjustments to statement of Cash Flows for the year ended 31st March, 2017 – Refer Note no 53 E

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

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being received.

The specific recognition criteria described below are met before revenue is recognised:

Sale of Goods

Revenue from the sale of goods is recognised when all significant risks and rewards of ownership of the goods are transferred to the buyer, as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.Revenue from Sale of Scrap is recognised as and when scrap is sold.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It excludes sales tax, Value added tax (VAT),Goods and Service Tax, Trade Discounts, Volume Rebates and Returns but includes excise duty.

Interest Income

Interest income is recognised using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Dividend Income

Revenue is recognised when the right to receive the payment is established by the reporting date.

Other Claims / Receipts

Insurance claims and other receipts including export incentives, where quantum of accruals cannot be ascertained with reasonable certainty, these receipts are accounted on receipt basis.

Commission Income

When the Group Acts in the capacity of an agent rather than as the princpal in a transaction the revenue recognised is the net amount of the commission earned by the Group.

3.2 Property, Plant and Equipment

Upon first-time adoption of Ind AS, the Group has elected to measure all its Property, Plant and Equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

Property, Plant and Equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses (i.e. as per Cost Model), if any. Cost comprises purchase price including import duties and other non-refundable duties and taxes, borrowing cost if capitalization criteria are met and other directly attributable cost for bringing the Assets to its present location and condition.

In the case of an Assets acquired out of Long Term Foreign Currency borrowings before 31st March 2017, the exchange differences arising on account of settlement or restatement at the end of reporting period are capitalised and depreciated over the useful life of Assets, exchange differences arising after 31st March 2017, are reported on Statement in Profit and Loss Account.

The cost of replacing part of an item of Property, Plant and Equipment is recognised in the carrying amount of the item only when it is probable that future economic benefits embodied within the part will flow to the Group and the cost of the item/part can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses arising on retirement or disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Property, Plant and Equipment which are not ready for intended use as on the date of Balance sheet are disclosed as "Capital Work-in-progress".

Items of Property, Plant and Equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

The Assets which are held for Sale shall be reclassified to Current Assets only if its carrying amount will be recovered principally through a sale transaction (within one year) rather than through continuing use.

Depreciation and Ammortization:-

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Particulars	**Years**
Factory Building	30
Plant & Machinery	25
Electrical Installation	10
Lab Equipments	10
Furniture and Fixtures	10
Motor Car	8
Air Conditioner	15
Scooter, Moped and Cycle	10
Office Equipment	5
Computer	3

Useful life of Plant and Machinery has been considered 25 years as against 15 years as prescribed in Shedule II of the Companies Act, 2013 which is based on the prevailing practices of the comparable industries and our past experience for last 30 years.

3.3 Intangible Assets :

Upon first-time adoption of Ind AS, the Group has elected to measure all of its intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

Separately purchased intangible assets are initially measured at cost.Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.The useful lives of intangible assets are assessed as either finite or indefinite.Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The Tangible Assets are derecognised either when they are being disposed off or no future economic benefit is expected from its use or disposal, the difference net disposal proceeds and the carrying amount of Assets is recognised in the statement of Profit and Loss in the period of dereognition.

Intangible assets are amortised as follows:

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

3.4 <u>Non Current Assets held for Sale</u>

Non-current assets or disposal groups comprising assets and liabilities are classified as 'held for sale' when all of the following criteria are met : (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.5 <u>Investment Property</u>

Investment Property comprises Free-Hold Lands that are held for Capital Appreciation as it has been held for a currently undetermined future use and are recognised at cost.

An Investment Property are derecognised either when they are disposed off or when they are permanently withdrawn from use and no future economic benefit is expected.The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

3.6 <u>Lease</u>

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

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

<u>Impairment of non-financial assets</u>

As at each balance sheet date, the Group assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Group determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

<u>Recoverable amount is determined:-</u>

a)In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use ; and

b) In the case of cash generating unit (a group of asset that generates identified, independent cash flow), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounting rate that reflect the current market assessment of the time value of the money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transaction is taken into account. If no such transaction 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 Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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.

3.7 <u>Financial Instruments</u>

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.

a) <u>Financial Assets</u>

<u>Initial Recognition and measurement of Financial Assets</u>

All financial assets are recognised initially at fair value plus or minus, 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.

Financial assets are classified, at initial recognition, in the same manner as described in subsequent measurement.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date the Group commits to purchase or sell the asset

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
(a) Financial assets at amortised cost
(b) Financial assets at fair value through other comprehensive income (FVTOCI)
(c) Financial assets at fair value through profit or loss (FVTPL)
(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortised cost

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

i) Business model test : The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

ii) Cash flow characteristics test : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Effective Interest Rate (EIR) method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period to the net carrying amount on initial recognition

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

i) Business model test : The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

ii) Cash flow characteristics test : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a financial asset, 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’) that would otherwise arise from measuring financial assets and financial liabilities or recognising the gains or losses on them on different bases.

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

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If an equity investment is not held for trading, an irrecoverable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

If the Group 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 other comprehensive income to statement of profit and loss, even on sale of investment. However, the Group 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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group’s financial statement) when:

The rights to receive cash flows from the asset have expired, or

The Group 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:

(i) the Group has transferred substantially all the risks and rewards of the asset, or

(ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group 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 Group could be required to repay.

Write Off

An entity shall directly reduce the gross carrying amount of a Financial Asset when the entity has no reasonable expectation of recovering a financial asset in its entirity or for a portion thereof.

Impairment of financial assets

The Group applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial assets:

(a) Financial assets measured at amortised cost

(b) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected Credit Losses are measured through either 12 month ECL or lifetime ECL and it is assessed as following:

For recognition of impairment loss on financial assets, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves, such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group follows a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

b Financial liabilities

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

The Group's financial liabilities include loans and borrowings, trade and other payables and derivative financial instruments.

Subsequent measurement

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

(a) 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 Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and 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.

(b) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

(c) Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Group enters into derivative contracts such as forward currency contract, option contract and cross currency and interest rate swaps to hedge foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to statement of profit and loss when the hedge item affects profit or loss.

3.8 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash in hand, cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, cash at banks and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the cash management.

3.9 Foreign currency Transactions

The Group's consolidated financial statements are presented in Indian Rupee (Rs.) which is also Group's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rates prevailing on the date of transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange rate differences that arise on settlement of monetary items or on translating of monetary items at each balance sheet reporting date at the closing rate are recognised as income or expense in the period in which they arise except exchange difference on monetary items that qualify as a hedging instrument in a cash flow hedge are recognised initialy in OCI to the extent the hedge is effective.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates prevailing at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are reported using the exchange rates prevailing at the date when fair value is determined.

When a gain or loss on non-monetary items is recognised in OCI any exchange component of that gain / loss shall be recognised in OCI, conversaly when a gain or loss on a non-monetary item is recognised in Profit / loss any exchange component of that gain/loss shall be recognised in Profit / Loss.

In accordance with Ind AS 101, exchange differences arising on long-term foreign currency monetary items before 31st March 2017 and which are directly related to acquisition of property, plant and equipments (other than land) are continued to be capitalised and depreciated over the remaining useful life of such asset. Exchange rate differences arising on other long term foreign currency monetary items which are not directly related to property , plant and equipment are continued to be accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the remaining life of concerned monetary item.

3.10 Fair Value Measurement:

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet 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:

(a) In the principal market for the asset or liability, or

(b) 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 Group.

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group 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.

3.11 Inventories

Raw materials : 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 and Traded 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 and Traded Goods includes purchase prise and other cost incurred for bringing the inventories to their present location and condition.

Stores & Spareparts : Store and Spare Parts are valued at Cost.

3.12 Employee Benefits

Short Term Employee Benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be settled wholly before twelve months after the year end, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. It includes Salary, wages, paid annual leave.

Post Employement Benefits

Defined Contribution Plan

Retirement benefits in the form of contribution to Provident fund are defined contribution plans. The contributions are charged to the statement of profit and loss as and when due monthly and are paid to the Government administered Providend Fund towards which the Group has no further obligation beyond its monthly contribution. Superannuation benefit scheme is not exsisting in the Group.

Defined benefit plans:

The Group operates defined benefit plan viz., gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method.

Defined benefit costs are comprised of:

a) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b) Net interest expense or income; and

c) Re-measurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

3.13 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which it is incurred.

Borrowing costs include interest expense calculated using the effective interest rate method as described in Ind AS 109- Financial Instruments, finance charges in respect of finance leases are recognised in accordance with Ind AS 17- Leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

3.14 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current Tax

Current income tax represents the tax currently payable on the taxable income for the year and any adjustment to the tax in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred Tax

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

The carrying amount of deferred tax assets is reveiwed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset only if:

(i) entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal tax during the specified period.

3.15 Provisions, Contingent Liabilities and Contingent Assets

General

Provisions are recognised when the Group 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. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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 recognised as a finance cost.

Contingent Liabilities and Assets

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the consolidated financial statements when economic inflow is probable.

3.16 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.

3.17 Current and Non-current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non current classification.
An asset is current when:
- It is expected to be realised or intended to be sold or consumed in normal operating cycle (twelve months),
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months after the reporting period,
- It is cash or cash equivalents 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 current when:
- It is expected to be settled in normal operating cycle (twelve months),
- 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.

3.18 Business Combination

Business combinations, if any, are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the Goodwill computed as per IND AS 103 is negative, the acquirer needs to reassess the identification and measurement of the acquiree’s identifiable assets, liabilities and contingent liabilities and the measurement of the cost of combination. If negative goodwill remains, this is recognised immediately in OCI and accumulated in equity as Capital Reserve. The Group recognises any non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.
Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the statement of Profit and Loss.
If there is an acquisition of an asset or a group of assets that does not constitute a business.In such cases the Group shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

Notes to the financial statements for the year ended 31st March, 2018
Shedules for the year ended 31st March 2018

04. Property Plant and Equipment

(Rs. In Lacs)

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2017		Addition during the year	Sales/Dis-posals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/ Dispos-als	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
TANGIBLE ASSETS:											
Free hold land	1,591.40	-	16.90	-	1,608.30	-	-	-	-	1,608.30	1,591.40
Factory Building	6,729.67	-	94.70	15.31	6,809.06	249.81	254.77	3.96	500.62	6,308.43	6,479.86
Plant & Machinery	11,710.06	-	3,625.31	106.55	15,228.81	735.14	1,095.92	16.41	1,814.64	13,414.17	10,974.92
Furniture & Fixture	232.43	-	9.18	-	241.61	19.45	25.89	-	45.35	196.27	212.98
Motor Car	223.25	-	38.61	34.15	227.71	45.33	47.41	19.81	72.93	154.78	177.91
Scooter, Moped & Cycle	1.01	-	-	-	1.01	0.17	0.17	-	0.34	0.68	0.84
Laboratory Equipment	601.33	-	102.17	-	703.51	56.07	79.00	-	135.07	568.44	545.26
Electrical Installation	1,214.22	-	117.36	-	1,331.58	185.47	201.12	-	386.59	944.98	1,028.74
Office Equipment	43.81	-	15.38	-	59.19	8.49	10.76	-	19.25	39.94	35.32
Air Conditioner	60.45	-	7.06	-	67.51	3.64	5.25	-	8.88	58.62	56.81
Computer	24.36	-	12.33	-	36.68	6.79	7.56	-	14.36	22.33	17.56
Total	**22,431.98**	**-**	**4,039.01**	**156.01**	**26,314.97**	**1,310.37**	**1,727.86**	**40.18**	**2,998.04**	**23,316.93**	**21,121.61**

05. Capital Work In Progress

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2017		Addition during the year	Adjust-ments	As at 31-03-2018	As at 01-04-2017	For the Period	Adjust-ments	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Capital Work-in-Progress	1,401.00	-	418.75	1,409.61	410.14	-	-	-	-	410.14	1,401.00
Total	**1,401.00**	**-**	**418.75**	**1,409.61**	**410.14**	**-**	**-**	**-**	**-**	**410.14**	**1,401.00**

06. Investment Property

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2017		Addition during the year	Sales/Dis-posals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/ Dispos-als	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Free Hold Land	1,281.68	-	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68
Total	**1,281.68**	**-**	**-**	**-**	**1,281.68**	**-**	**-**	**-**	**-**	**1,281.68**	**1,281.68**

07. Other Intangible Assets

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2017		Addition during the year	Sales/Dis-posals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/ Dispos-als	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Technical Knowhow	0.20	-	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	24.91	-	6.65	-	31.56	4.42	5.05	-	9.48	22.08	20.49
Total	**25.12**	**-**	**6.65**	**-**	**31.77**	**4.42**	**5.05**	**-**	**9.48**	**22.29**	**20.69**

Shedules for the year ended 31st March 2017

04. Property Plant and Equipment (Rs. In Lacs)

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2016	Acquisition of a Subsidiary	Addition during the year	Sales/Disposals	As at 31-03-2017	As at 01-04-2016	For the year	Sales/Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
TANGIBLE ASSETS:											
Free hold land	1,590.94	-	0.46	-	1,591.40	-	-	-	-	1,591.40	1,590.94
Factory Building	6,552.30	7.47	223.92	54.03	6,729.67	-	249.81	-	249.81	6,479.86	6,552.30
Plant & Machinery	9,201.23	3.58	2,523.15	17.91	11,710.06	-	735.14	-	735.14	10,974.92	9,201.23
Furniture & Fixture	99.79	-	132.65	-	232.43	-	19.45	-	19.45	212.98	99.79
Motor Car	217.12	-	17.70	11.57	223.25	-	45.33	-	45.33	177.91	217.12
Scooter, Moped & Cycle	1.01	-	-	-	1.01	-	0.17	-	0.17	0.84	1.01
Laboratory Equipment	396.44	-	204.89	-	601.33	-	56.07	-	56.07	545.26	396.44
Electrical Installation	1,174.73	-	39.48	-	1,214.22	-	185.47	-	185.47	1,028.74	1,174.73
Office Equipment	29.24	-	14.57	-	43.81	-	8.49	-	8.49	35.32	29.24
Air Conditioner	23.67	-	36.78	-	60.45	-	3.64	-	3.64	56.81	23.67
Computer	9.37	-	14.98	-	24.36	-	6.79	-	6.79	17.56	9.37
Total	**19,295.85**	**11.05**	**3,208.58**	**83.50**	**22,431.98**	**-**	**1,310.37**	**-**	**1,310.37**	**21,121.61**	**19,295.85**

05. Capital Work In Progress

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2016		Addition during the year	Capitalized during the year	As at 31-03-2017	As at 01-04-2016	For the Period	Sales/Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Capital Work-in-Progress	373.31	-	3,623.16	2,595.46	1,401.00	-	-	-	-	1,401.00	373.31
Total	**373.31**	**-**	**3,623.16**	**2,595.46**	**1,401.00**	**-**	**-**	**-**	**-**	**1,401.00**	**373.31**

06. Investment Property

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2016		Addition during the year	Sales/Disposals	As at 31-03-2017	As at 01-04-2016	For the Period	Sales/Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Free Hold Land	1,281.68	-	**-**	**-**	1,281.68	**-**	**-**	**-**	**-**	1,281.68	1,281.68
Total	**1,281.68**	**-**	**-**	**-**	**1,281.68**	**-**	**-**	**-**	**-**	**1,281.68**	**1,281.68**

07. Other Intangible Assets

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2016		Addition during the year	Sales/Disposals	As at 31-03-2017	As at 01-04-2016	For the Period	Sales/Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Technical Knowhow	0.20	-	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	24.81	-	0.11	-	24.91	-	4.42	-	4.42	20.49	24.81
Total	**25.01**	**-**	**0.11**	**-**	**25.12**	**-**	**4.42**	**-**	**4.42**	**20.69**	**25.01**

Other Notes to Note No 04 to 07

A Disclosures for Property, Plant & Equipment (PPE) ,Capital Work-in-Progress (CWIP) and Intangible Assets

A1. Refer Note No 47 for information on Property, Plant and Equipment and Intangible Assets pledged as security by the Company.

A2. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for the year ended 31st March, 2018 is Rs. 70.65 lacs (31st March, 2017: Rs.49.94 Lacs and 1st April, 2016: Rs. 140.28 Lacs).

A3. There has been no impairment loss on above assets during the year.

A4. The Company has elected optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value.

5. Borrowing costs capitalised for the year ended 31st March , 2018 is Rs. Nil (31st March , 2017 Rs. Nil And 31st March, 2016 Rs. 92.58 lacs).

B Disclosures for Investment Property

B1. The Company has identified and reclassifed Land at West Bengal amounting Rs 1281.67 Lacs. immovable properties as Investment Properties on the date of transition i.e. 1st April, 2016 on the basis of currently undermined future use.

B2. No amount of Income / Expenses has been recognised in Profit and Loss in relation to the above Investment Property.

B3. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

B4. The Company has elected optional exemption under Ind AS 101 to measure Investment Property at previous GAAP carrying value.

B5. Since the Land at West Bengal are partial agricultural in natrue, the management has not determined the Fair Market Value of these properties from the accredited independent valuer and hence the disclosure requirement of fair value has not been furnished.

(Rs. In Lacs)

8 **FINANCIAL ASSETS:- NON-CURRENT INVESTMENTS**	**Face Value Rs.**	**No. of Shares / Units**			**Amount**		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Equity Instruments - Fully paid up							
Unquoted							
(a) Others-At Fair Value Through Profit and Loss							
(i) Panchawati Holiday Resorts Ltd.	10	**9,400**	9,400	9,400	**-**	-	-
Quoted							
(a) Associate-At Deemed Cost							
(i) Kkalpana Plastick Limited	10	**2,002,920**	2,002,920	2,002,920	**239.04**	234.71	253.92
(b) Others-At Fair Value Through Profit and Loss					**-**	-	-
(i) Dena Bank	10	**14**	14	14	**-**	0.01	0.00
(ii) Nicco Corporation Ltd.	2	**826,194**	826,194	826,194	**-**	-	-
Investments in Government or trust securities #							
(At Amortised Cost)							
(a) 7 Year National Saving Certificate					**-**	-	-
(b) Indira Vikash Patra					**-**	-	-
(c) 5.5 Year Kissan Vikash Patra					**-**	-	-
Total Investments					**239.04**	234.72	253.92
Less: Provision for diminution in the value of Investments					**-**	-	-
Net Investments					**239.04**	234.72	253.92
Notes:							
Aggregate amount of Quoted Investments and market value thereof					**-**	-	253.92
Aggregate amount of Unquoted Investments					**239.04**	234.72	-
Aggregate amount of Impairment in the value of Investments					**-**	-	-
Total Investment (net)					**239.04**	234.72	253.92
# Represent Investment written off as on transition date i.e 1st April 2016					**-**	-	0.40

9. **FINANCIAL ASSETS - LOANS**	**Non Current**			**Current**		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
(a) Unsecured, considered good						
Loan to Related Party	**-**	-	-	**-**	-	-
Loans to Others	**-**	-	-	**-**	-	32.28
Total	**-**	-	-	**-**	-	32.28

There are no loans/ advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or loans/ advances to firms or private companies respectively in which any director is a partner or a director or a member.

(Rs. In Lacs)

10. FINANCIAL ASSETS - OTHERS	Non Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good						
(a) Security Deposit	**106.85**	28.42	24.40	**101.70**	97.32	110.30
(b) Investment in Term Deposits (with remaining maturity of more than 12 months)	**163.82**	668.52	897.98	**-**	-	-
(c) Derivative Instruments						
Foreign Exchange Forward Contracts	-	-	-	**64.74**	-	-
Foreign Currency Options	-	-	-	**22.12**	-	-
(d) Others - Advances Recoverable from						
Employees	-	-	-	**82.00**	126.63	64.37
Others	-	-	-	**55.63**	32.70	970.88
(e) Interest Accrued on Deposits	0.58	0.34	-	**31.17**	12.07	34.23
Total	**271.25**	697.28	922.38	**357.36**	268.72	1,179.78

11. OTHER NON CURRENT ASSETS	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
(a) **Capital Advances**			
(i) Unsecured - considered good	**421.79**	167.86	339.44
(b) **Other Advances**			
(i) Unsecured, considered good			
- Balance With Government Authorities	**8.44**	8.69	0.25
(c) **Prepaid Rent**	**23.42**	1.81	3.15
Total	**453.65**	178.36	342.84

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

(Rs. In Lacs)

12 INVENTORIES	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(As taken valued and certified by the management)			
At Cost or NRV whichever is lower			
(a) Raw materials			
- In Stock	**12,492.34**	14,437.00	6,609.87
- In Transit	**222.40**	-	3.36
	-	-	-
(b) Finished goods			
- In Stock	**2,778.27**	2,671.99	3,169.07
(c) Stores and spares- at Cost			
- In Stock	**417.86**	247.33	225.58
Total	**15,910.87**	17,356.32	10,007.88

- During the year ended 31st March, 2018 and year ended 31st March, 2017 no amount was recognised as an expense for the inventories carried at net realisable value.
- Refer Note No :- 47 for details of Carrying amount of Inventories pledged with banks against Working Capital loans.
- Stores and Spares does not include machinery spares which can be used only in connection with an item of Fixed Assets.

13 TRADE RECEIVABLES	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Unsecured, considered good			
(i) Others	**33,587.21**	34,970.70	37,382.77
(ii) Related Parties	**-**	-	-
	33,587.21	34,970.70	37,382.77
Less: Allowance for bad and doubtful debts	**619.06**	995.36	1,098.37
Total (net of provision)	**32,968.15**	33,975.34	36,284.40

- There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other persons or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
- The Company has done the Impairment Assesement for Trade Receivables based on expected credit loss model considering the credit risk as significantely low. The Company has used a simplified approach based on a 12 months ECL. A provison matrix has been prepared based on historical credit loss experience adjusted as appropiate to reflect the current conditions and supportable forecast of future economic conditons. The Company has used the adjustment rate of 5% for worsening of future economic conditons.

14 CASH & CASH EQUIVALENTS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Balance with banks:			
(i) In Current Accounts	**349.18**	498.74	541.26
(ii) In EEFC Account	**25.03**	81.38	250.74
(ii) In Deposit with Original Maturity of less than 3 months	**58.00**	-	-
(b) Cash in hand (As certified by the management)	**26.38**	38.22	112.20
(c) Other Bank Balance	**-**	-	-
(i) Unpaid Dividend account	**24.58**	33.82	41.92
(ii) Deposits with more than 3 months initial maturity	**1,214.33**	929.61	933.58
	-	-	-
Total	**1,697.50**	1,581.77	1,879.70

(Rs. In Lacs)

15 **OTHER CURRENT ASSETS**	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
(a) Other Advances			
(i) Unsecured, considered good			
- Balances with government departments	**6,313.06**	3,884.33	4,741.65
- Others	**13.50**	-	-
(b) Prepaid Expenses	**198.77**	186.51	190.70
(c) Prepaid Rent	**0.05**	0.84	0.05
Total Other Current Assets	**6,525.38**	4,071.68	4,932.40
Less: Total Provision for Doubtful Advances/ Debts	**-**	-	-
Total (net of provision)	**6,525.38**	4,071.68	4,932.40

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

16 **EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity)**	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Authorised Shares			
153,000,000 (Previous Year: 153,000,000) Shares of Rs. 2 each	**3,060.00**	3,060.00	3,060.00
	3,060.00	3,060.00	3,060.00
Issued, Subscribed and Paid Up			
940,72,930 (Previous Year: 940,72,930) Equity Shares of Rs.2 each	**1,881.46**	1,881.46	1,881.46
	1,881.46	1,881.46	1,881.46

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	**As at 31st March 2018**		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	**Amount (Rs. In Lacs)**	No. of Shares	Amount (Rs. In Lacs)	No. of Shares	Amount (Rs. In Lacs)
Equity Shares outstanding at the beginning of the year	**94,072,930**	**1,881.46**	94,072,930	1,881.46	94,072,930.00	1,881.46
Equity Shares issued during the year	**-**	**-**	-	-	-	-
Equity Shares bought back during the year	**-**	**-**	-	-	-	-
Equity Shares outstanding at the end of the year	**94,072,930**	**1,881.46**	94,072,930	1,881.46	94,072,930.00	1,881.46

(b) Terms/ Rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of Rs. 2 per share. Each equity shareholder is entitled to one vote per share. The Company had declared and paid dividends in Indian rupee.

In 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 in propotion of their shareholding.

(c) Details of shareholders holding more than 5% shares in the Company

Sl. No.	Name of the Shareholders	**As at 31st March 2018**		As at 31st March, 2017		As at 1st April, 2016	
		No. of Shares held	**% of Holding**	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Sri Ram Financial Consultants Pvt Ltd	**4,785,170**	**47.61**	44,785,170	47.61	44,785,170	47.61
2	Shyam Baba Trexim Pvt Ltd	**15,551,680**	**16.53**	15,551,680	16.53	15,551,680	16.53
3	Subh Labh Vintrade Pvt Ltd.	**-**		-		7,750,000	8.24
4	Almond Polytraders Pvt Ltd.	**7,750,000**	**8.24**	7,750,000	8.24	-	-
5	Inbara holdings Pvt Ltd.	**7,250,000**	**7.71**	7,250,000	7.71	7,250,000	7.71

(d) Aggregate number of bonus shares issued, shares alloted as fully paidup persuant to contract without payment being received in cash and shares bought back during the period of five years immediately preceding the reporting date: Nil

(Rs. In Lacs)

17 OTHER EQUITY (Refer Statement of Changes in Equity)

(a) Security Premium Reserve

This reserves are used to record the premium on issue of shares. The reserve would be utilized in accordance with the provisons of the Act.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	**5,322.45**	5,322.45	5,322.45
Add: During the year	**-**	-	-
	5,322.45	5,322.45	5,322.45

(b) Capital Reserve and Amalgamation Reserve

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	**852.96**	852.96	852.96
Add: During the year	-	-	-
	852.96	852.96	852.96

(c) Foreign Currency Monetary Item Transalation Difference Account

Exchange rate differences arising on other long term foreign currency monetary items which are not directly related to property , plant and equipment are accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the remaining life of concerned monetary item.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	**-**	(262.21)	(266.08)
Exchange Gain/(loss) during the year	-	-	(111.03)
Ammortization during the year	**-**	262.21	114.91
	-	-	(262.21)

(d) General Reserve

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	**3,400.00**	3,400.00	3,400.00
Add: During the year	-	-	-
	-	**-**	-
	3,400.00	3,400.00	3,400.00

(e) Retained Earnings

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	**15,978.32**	13,372.82	12,233.47
Add: During the year	**2,044.38**	2,605.50	1,139.35
	-	**-**	-
	18,022.70	15,978.32	13,372.82

(Rs. In Lacs)

(f) Other Comprehensive Income	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	**(2.96)**	-	-
Add: During the year	(18.18)	(2.96)	-
	-	**-**	-
	(21.15)	(2.96)	**-**
	-	**-**	**-**
Total Reserves (a+b+c+d+e+f)	**27,576.96**	25,550.77	22,686.02

18 LONG TERM BORROWINGS

	Non Current			Current *		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Secured						
(a) Term Loans						
I From Banks						
(i) Rupee Loan	**4,626.23**	4,964.58	2,962.72	**1,501.58**	848.28	210.00
(ii) Foreign Currency Loan	**-**	-	1,030.93	**-**	1,022.08	2,790.15
	4,626.23	4,964.58	3,993.65	**1,501.58**	1,870.36	3,000.15
II From Others						
(i) From Banks - Veichle Loan	**82.00**	82.55	114.59	**-**	-	-
Total (Net) (a)	**4,708.23**	5,047.13	4,108.24	**1,501.58**	1,870.36	3,000.15
Unsecured						
(b) Long term loan -Related Party	**1,780.27**	1,603.82	1,445.70	**-**	-	-
Total (Net) (b)	**1,780.27**	1,603.82	1,445.70	**-**	**-**	**-**
Grand Total (Net) (a+b)	**6,488.50**	6,650.95	5,553.94	**1,501.58**	**1,870.36**	**3,000.15**

* Refer Note No. 23

Details of terms of repayment of long term borrowings

Long term borrowings	Terms of Repayment	Maturity Date	Interest Rate	Loan Taken Date
Secured				
a) Term Loans				
I From Banks				
(i) Rupee Loan-IDFC	1 Year moratorium from the date of 1st disbursement & thereafter payable in 20 equal quarterly installments.	13th Feb 2021	10.35%	01st April 2017
(ii) Rupee Loan-HDFC	Repayable in 15 equal quarterly installments starting from 30th june 2017.	30th March 2022	9.85%	24th March 2017
(iii) Rupee Loan-SBI	Will start after completing moratorium period of 2 years. 24 quarterly installment starting from 31st December 2016 in a structured way .	30th Sep 2022	12.50%	31st Dec 2014
(iv) Rupee Loan-HDFC	Repayable in 20 equal quarterly installments after 12 months of moratorium from the date of first disbursal. Repayments to start from 31st March 2018 till 31st December 2022.	31st Dec 2022	9.90%	06th Jan 2017
(v) Foreign Currency Loan-SCB	Principal & Interest to be paid in 16 installment. Each installment having USD 593750 towards repayment of Principal	18th May 2017	8.80%	18th May 2012
(vi) Foreign Currency Loan-DBS	Door to Door maturity of 5 years with repayment in 16 equal quarterly installments with 1st repayment starting from the end of 15th month from the date of 1st drawdown.	26th July 2017	Libor +2.35%	27th July 2012
II From Others				
(i) Veichle Loan-	60 equal monthly instalment			

Long term borrowings	Terms of Repayment	Maturity Date	Interest Rate	Loan Taken Date
Unsecured				
(b) Long term loan/deposits				
RELATED PARTY				
i Shyambaba Trexim Pvt Ltd.	Repayable on Demand after 30th March 2022		4.00%	
ii Sri Ram Financial Consultant Pvt Ltd.				
iii Inbara Holdings Pvt Ltd.				
iv Krishna Commodeals Pvt Ltd.				

Details of terms of security for long term borrowings

a) ECB Loan from Standard Chartered are secured by exclusive charge by way of equitable mortgage over all present and future immovable properties located at Bhasa Unit.

b) ECB Loan from Standard Chartered , DCB and Rupee Loan from SBI are 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 Unit.

c) Rupee Term Loan from HDFC and IDFC are secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Silvasa, Surangi, Daman and Bhasa Units.

d) Veichle Loan are secured by hypothecation against Motor Car.

(Rs. In Lacs)

19 LONG TERM PROVISIONS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Employee benefits			
Gratutiy (Refer Note No. 39(b))	**93.98**	54.41	42.41
Total	**93.98**	54.41	42.41

20 DEFERRED TAX LIABILITIES (NET)	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Liabilities :			
Depreciation and ammortization expenses	**2,845.24**	2,351.08	2,073.36
Items under financial assets and financial liabilities giving temporary differences	**387.89**	457.70	499.17
Total (a)	**3,233.13**	2,808.78	2,572.53
(b) Assets :			
Items under financial assets and financial liabilities giving temporary differences	**18.58**	18.35	20.86
Provision for doubtful debts & obsolescence	**214.24**	344.47	380.12
Total (b)	**232.82**	362.82	400.98
Net Liability (a-b)	**3,000.31**	2,445.96	2,171.55

Reconciliation of deferred tax assets/ liabilites (net):	As at 31st March, 2018	As at 31st March, 2017
Opening balance as at year beginning	**2,445.96**	2,171.55
Impact of Deferred Tax Liability for subsidiary aquired during the year.	**-**	(1.63)
Tax (benefit) / expense during the period recognised in profit or loss	**563.97**	277.61
Tax impact on items of Other Comprehensive income that will not be classified to profit & loss	**(9.62)**	(1.57)
Closing balance as at year end	**3,000.31**	2,445.96

(Rs. In Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
21 SHORT TERM BORROWINGS			
Secured			
(a) Loans repayable on demand			
Cash credits from bank *	**12,090.36**	19,019.43	17,735.34
(b) Other Loans and advances	**-**	-	-
Buyer's credit from bank *	**2,350.74**	7,564.33	8,469.66
Others	**-**	-	-
Total	**14,441.10**	26,583.76	26,205.00

* These Loans are repayable on demand and carries interest as applicable from time to time.

* Working capital facilities (fund based & non fund based limits) are secured by:-

1. 1st pari passu charge by way of hypothecation over entire current assets, stock and book debts of the Company both present & future.
2. 1st pari passu charge by way of equitable mortgage over property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai - 400066.
3. 1st pari passu charge by way of equitable mortgage over all fixed assets both present & future except immovable assets of Surangi, Daman, Silvassa and Bhasa.
4. Exclusive Charge on Immovable property located at Bhasa Unit.

22 TRADE PAYABLES	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Micro & Small Enterprises	**-**	-	-
(b) Others			
Acceptances secured *	**22,781.90**	11,905.83	10,299.50
Sundry Creditors for goods	**2,809.76**	1,862.55	2,425.64
Sundry Creditors for expenses	**1,141.47**	962.74	669.02
Total	**26,733.13**	14,731.12	13,394.16

* Secured by way of hypothecation of stocks and book debts in favor of the Company's banker.

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.

23 CURRENT FINANCIAL LIABILITIES-OTHER	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Current maturities of long-term debts (Refer Note No. 18)	**1,501.58**	1,870.36	3,000.15
(b) Interest payable on Unsecured Loan	**253.06**	219.21	135.64
(c) Unpaid dividends #	**24.59**	33.83	41.92
(d) Others			
(i) On capital account	**172.30**	284.73	290.85
(ii) Other Liabiity	**576.97**	748.89	657.78
	-	-	-
Total	**2,528.50**	3,157.02	4,126.34

There is no amount due & outstanding to be credited to the Investor Education & Protection Fund.

24 OTHER CURRENT LIABILITIES	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Advance payments from customers	**0.90**	0.90	-
(b) Other payables			
(i) Statutory dues	**74.75**	310.34	180.27
(ii) Others	**0.63**	0.61	-
Total	**76.28**	311.85	180.27

(Rs. In Lacs)

25	SHORT TERM PROVISIONS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a)	Employee benefits			
	(i) Leave/Bonus encashment (unfunded)	**88.96**	167.97	146.84
	Total	**88.96**	167.97	146.84

26	INCOME TAX LIABILITIES	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Income Tax (Net of Payments)	**613.98**	705.37	423.44
	Total	**613.98**	705.37	423.44

27	REVENUE FROM OPERATIONS	2017-18	2016-17
(a)	**Sale of Products**		
	(i) PE Compound	**88,479.17**	104,130.02
	(ii) PVC Compound	**43,388.18**	60,491.60
	(iii) Others	**43,535.12**	48,142.95
(b)	**Sale of Scrap**	**6.09**	-
(c)	**Sale of Services**		
	(i) Commission Received -Refer Note below:-	**538.63**	943.76
	Total	**175,947.19**	213,708.33

Commission relates to sale of Products in which the Company Acts as an agent in the transaction rather than as a Princial in assessing the Companies role to be that of an agent rather than as a principal, the management considered the following factors:-

a - The Company does not take tiltle to the goods and has no responsibility in respect of goods sold.

b- The Company cannot vary the selling prices set by the supplier.

c- Credit risk is born by the supplier.

28	OTHER INCOME	2017-18	2016-17
(a)	Interest income	**137.78**	163.91
(b)	Profit on Sale of Assets	**-**	114.24
(c)	Exchange difference other than considered as finance cost (net)	**400.68**	694.86
(d)	Export Incentive	**19.63**	84.00
(e)	Unwinding of Interest on security deposit	**4.62**	1.46
(f)	Fair Value gain or losses on derivatives	**86.86**	-
(g)	Insurance Claim Received	**97.37**	11.21
(h)	Other Miscelleaneous Income	**46.07**	11.98
		-	-
	Total	**793.01**	1,081.66

29	COST OF MATERIALS CONSUMED	2017-18	2016-17
	Inventory at the begining of the year	**14,437.00**	6,609.87
	Add: Purchases during the year	**146,111.81**	180,382.28
	Less: Raw Material at the end of the Year	**12,604.35**	14,437.00
		-	-
	Total Cost of Material Consumed	**147,944.46**	172,555.15
	Details of Raw Material Consumed		
	LLDPE/ LDPE	**68,649.61**	78,262.24
	PVC Resin	**27,466.90**	35,417.64
	Plastic Scrap	**4,693.06**	36.26
	Other items	**47,134.89**	58,839.01
		147,944.46	172,555.15

(Rs. In Lacs)

30 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE	2017-18	2016-17
(a) Stocks at the beginning of the year		
Finished goods	**2,671.99**	3,169.08
(b) Less: Stocks at the end of the year	**-**	-
Finished goods	**2,778.27**	2,671.99
	-	-
Total	**(106.28)**	497.09

31 EMPLOYEE BENEFITS EXPENSE	2017-18	2016-17
(a) Salaries, Wages, Bonus and Gratuity	**2,362.38**	2,062.72
(b) Contribution to Provident and other funds	**100.23**	70.95
(c) Workmen and staff welfare expenses	**96.82**	78.16
	-	-
Total	**2,559.43**	2,211.83

32 FINANCE COSTS	2017-18	2016-17
(a) Interest expense		
(i) To Banks	**4,088.79**	3,452.69
(ii) To Others	**371.83**	361.92
(b) Other borrowing costs	**1,130.81**	1,424.87
(c) Unwinding of Interest	**176.51**	159.02
	-	-
Total	**5,767.94**	5,398.50

33 OTHER EXPENSES	2017-18	2016-17
(a) Consumption of Stores and Spare Parts.	**155.62**	136.84
(b) Power & Fuel	**2,391.99**	1,892.11
(c) Clearing and Forwarding charges	**1,567.90**	1,114.55
(d) Rent	**593.16**	303.72
(e) Repair & Maintenance - Building	**65.00**	85.75
(f) Repair & Maintenance - Machinery	**327.44**	412.18
(g) Repair & Maintenance - Others	**158.44**	157.50
(h) Insurance Charges	**173.33**	123.22
(i) Rates & Taxes	**44.84**	31.96
(j) Carriage and freight	**822.80**	1,273.78
(k) Payments to Auditors (Refer Note (i) below)	**6.10**	3.73
(l) Directors' Fees	**3.20**	3.90
(m) Bad debts / Advances Written off	**27.57**	539.31
(n) Loss on sale of fixed assets	**10.94**	-
(o) Interest on late payment of Stautory Dues	**0.23**	-
(p) Selling & Distribution Expenses	**4,460.29**	3,140.01
(q) Net (gain)/loss on Fair value of Financial Assets through Profit & Loss	**0.01**	(0.00)
(r) Provision for doubtful debts	**(376.31)**	(103.01)
(s) Miscellaneous expenses	**1,358.58**	1,268.71
Total	**11,791.13**	10,384.26

Note :- (i)

Auditors' remuneration and expenses		
Audit fees	3.20	3.08
Tax audit fees	0.65	0.65
Fees for other services	2.25	-
	6.10	3.73

(Rs. In Lacs)

		2017-18	2016-17
34	**Income Tax**	**2017-18**	2016-17
I	**Income tax related to items charged or credited directly to profit or loss during the year:**		
(a)	**Statement of profit and loss**		
(i)	Current Income Tax *	**688.62**	826.41
(ii)	Deferred Tax expense/ (benefit)	**563.98**	277.61
		1,252.60	1,104.02
(b)	**Other Comprehensive Income**		
(i)	Deferred Tax related to items recognised in OCI during the year:		
	- Net expense/(benefit) on remeasurements of defined benefit plans	**9.62**	1.57
	Total (a+b)	**1,262.22**	1,105.59

***** The provision for current tax has been made as per MAT under section 115 JB of the Income Tax Act, 1961. The Company is entitled to avail credit under section 115 JA (1A). Accordingly, MAT credit entitlement has been considered as an asset.

II Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2017 and 31st March, 2016:

	2017-18	2016-17
Accounting profit before income tax and share of profit from Associate as per Ind AS	**3,275.18**	3,728.39
At Income tax rate of 34.608% (31st March, 2017: 34.608%)	**1,133.47**	**1,290.32**
Tax effect of items that are not deductible for tax purpose	**59.02**	44.66
Tax effect of items that are deductible for tax purpose	**-**	(135.46)
Tax effect of items that are not taxable for tax purpose	**-**	-
Deffered Tax impact on transition date	**-**	(98.30)
Tax effect of deductions under Chapter VIA of Income Tax Act, 1961	**(9.95)**	-
Tax effect of profit/(loss) from share of subsidiary	**60.44**	1.23
At the effective income tax rate of 37.95% (31st March 2017: 29.57 %)	**1,242.98**	**1,102.45**
Income tax expense reported in the statement of profit and loss	**1,242.98**	1,102.45

		2017-18	2016-17
35	**Other Comprehensive Income**	**2017-18**	2016-17
i	Items that will not be classified to profit and loss		
	- Remeasurement gain/ (losses) on defined benefit plans		
	Balance as at year beginning	**(4.53)**	(28.64)
	Add: Created during the year	**(23.27)**	-
	Less: Adjustments	**-**	24.10
	Balance as at year end	**(27.80)**	(4.54)
ii	Income tax relating to items that will not be classified to profit and loss		
	- Remeasurement gain/ (losses) on defined benefit plans		
	Balance as at year beginning	**1.57**	9.91
	Add: Created during the year	**8.05**	-
	Less: Adjustments	**-**	(8.34)
	Balance as at year end	**9.62**	1.57
		-	-
	Total	**(18.18)**	(2.97)

36 OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Contingent liabilities & Commitments

(Rs. In Lacs)

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A	Not Provided for:-			
	(a) Claims against the Group not acknowledged as debts - Demand raised by following authorities in dispute: (i) Income tax matters	**338.77**	-	-
B	**Bank Gurantee**	**658.44**	898.63	612.54
C	**Capital Commitments** Estimated Value of contracts in Capital account remaining to be excecuted and not provided for (Net of advances)	**70.65**	49.94	140.28
D	**Other Commitments**			
	Letter of Credit	**23,185.05**	21,849.97	10,561.38

37 Details of loans given, Investments made and Guarantee given covered u/s 186(4) of the Companies Act, 2013

A. Loan Given
There is no loan given during the year.

B. Investment Made
There are no investments by the Group other than those stated under Note No. 8 in the financial statements.

C. Securities Given
There is no security given during the year.

38 Disclosure on Corporate Social Responsibility Expenses

(a) Gross amount required to be spent by the Group during the year in pursuance to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder : Rs. 72 Lacs (PY Rs. 66.61 Lacs).
(b) Amount unspent as on 31st March 2017 is Rs.63.41 lacs.
(c) Amount spent during the year 2017-18 and shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 33):

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(i)	Spent in Cash	**135.50**	125.00	-
(ii)	Yet to Spend	**-**	63.41	121.81
	Total	**135.50**	**188.41**	**121.81**

39 Disclosures as required by Ind AS 19, Employee Benefits

(a) Defined contribution plans:

		2017-18	2016-17
Contribution to defined contribution plan, recognised as expense for the year as under:			
(i)	Employer's contribution to Government Provident Fund, Pension Fund & ESI	**99.67**	70.95
	Total	**99.67**	70.95

(b) Defined benefit plan:

Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Group contributes to the Group Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India, is provided for as assets/ (liability) in the books. Actuarial gains/ (losses) for defined benefit plans are recognised in full and are immediately taken to the statement of profit and loss and Other Comprehensive Income accordingly as per Acturial Valuation Report.. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 30 days' salary for each completed year of service . Vesting occurs upon completion of five continuous years of service in accordance with Indian law. The gratuity fund is separately administered by a Gratuity Fund Trust.

(Rs. In Lacs)

			Gratuity (Funded)	
I	**Following information are based on report of actuary for employee benefit expenses**			
			2017-18	2016-17
(A)	Change in present value of the obligation during the year			
	(1)	Present value of obligation at year beginning	**172.44**	139.16
	(2)	Current service cost	**24.75**	24.43
	(3)	Interest cost	**12.73**	11.69
	(4)	Benefits paid	**(16.40)**	(6.31)
	(5)	Actuarial (gain) / loss arising from changes in demographic assumptions	**-**	-
	(6)	Actuarial (gain) / loss arising from changes in financial assumptions	**(4.48)**	9.23
	(7)	Actuarial (gain) / loss arising from changes in experience adjustments	**30.81**	(5.76)
	(8)	Present value of obligation at year end	**219.85**	172.44
(B)	Change in fair value of plan assets during the year			
	(1)	Fair value of plan assets at year beginning	**118.04**	96.75
	(2)	Interest income on plan assets	**9.15**	8.05
	(3)	Expected return on plan assets other than interest income	**(1.48)**	(1.07)
	(4)	Contribution made by the Employer	**16.56**	20.60
	(5)	Benefits paid	**(16.40)**	(6.31)
	(6)	Fair value of plan assets at year end	**125.87**	118.04
(C)	Reconciliation of obligation and fair value of assets			
	(1)	Present value of the obligation at year end	**219.85**	172.44
	(2)	Fair value of plan assets at year end	**125.87**	118.04
	(3)	Funded status [surplus / (deficit)]	**(93.98)**	(54.40)
(D)	Expense recognised in the Statement of Profit and Loss			
	(1)	Current service cost	**24.75**	24.43
	(2)	Interest cost	**12.73**	11.69
	(3)	Interest income on plan assets	**(9.15)**	(8.05)
		Net cost recognised in Profit or Loss	**28.33**	28.07
(E)	Recognised in Other Comprehensive Income			
	(1)	Expected return on plan assets other than interest income	**1.48**	1.07
	(2)	Actuarial (gain) / loss arising from changes in demographic assumptions	**-**	-
	(3)	Actuarial (gain) / loss arising from changes in financial assumptions	**(4.48)**	9.23
	(4)	Actuarial (gain) / loss arising from changes in experience adjustments	**30.81**	(5.76)
		Net (gain)/ loss recognised in Other Comprehensive Income	**27.81**	4.54
(F)	Net Defined benefit liability/(Asset) Reconciliation			
	(1)	Net Defined benefit liability/(Asset) at the beginning of the year	**54.41**	42.41
	(2)	Defined benefit cost included in P/L	**28.33**	28.07
	(3)	Total remeasurement included in OCI	**27.81**	4.53
	(4)	Employers contribution	**(16.56)**	(20.60)
		Net Defined benefit liability/(Asset) at the end of the year	**93.99**	54.41

(Rs. In Lacs)

II Maturity profile of defined benefit obligations:

	2017-18	2016-17
Year 1	**15.55**	13.62
Year 2	**72.57**	-
Year 3	**120.18**	2.11
Year 4	**64.41**	14.27
Year 5	**24.76**	3.25
Year 6	**82.98**	3.11
Year 7	**117.62**	12.09
Year 8	**85.74**	2.51
Year 9	**34.12**	3.74
Year 10	**43.53**	117.74
Total expected payments	**661.46**	172.44

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.52 Years (31st March,2017: 8.28 years).
The best estimate contribution for the Group during the next year would be Rs 55.61 lacs. (31st March,2017: Rs. 50.09 lacs).
Amount payable upon discontinouance of all employment is INR 263.82lacs. (31st March,2017: Rs. 206.90 lacs).

III Experience Adjustments on Present Value of DBO and Plan Assets

	2017-18	2016-17
(Gain)/Loss on Plan Liabilities	**30.81**	(5.76)
% of Opening Plan Liabilities	**17.87%**	-4.14%
(Gain)/Loss on Plan Assets	**1.48**	1.07
% of Opening Plan Assets	**1.25%**	1.11%

IV Quantitative sensitivity analysis for significant assumptions considered for defined benefit obligation (Gratuity):

Sensitivity analysis presented below represents expected change in present value of defined benefit obligation based on reasonably possible changes in the assumptions occurring at the year end.

	2017-18	2016-17
Defined Benefit Obligation (Base)	**219.85**	172.44
(1) One percentage increase in discount rate	**203.04**	154.66
(2) One percentage decrease in discount rate	**239.31**	193.19
(3) One percentage increase in rate of salary escalation	**238.79**	192.00
(4) One percentage decrease in rate of salary escalation	**203.06**	154.97
(5) One percentage increase in rate of withdrawl rate	**222.09**	174.34

	Gratuity (Funded)	
	2017-18	2016-17
V Actuarial Assumptions		
(1) Discount rate	**7.75%**	7.50%
(2) Mortality Rate	**IALM (2006-08) Table**	
(3) Salary Esclation - First 5 years	**6% p.a**	6% p.a
(4) Salary Esclation - After 5 years	**6% p.a**	6% p.a
(5) Expected Rate of Return on Plan Assets	**7.75%**	7.50%
(6) Disability Rate	**5% of Mortality Rate**	5% of Mortality Rate
(7) Retirement Age	**60 years**	60 years
(8) Average Future Service	**21.97**	23.03
(9) Withdrawal rates , based on age: (per annum)		
Up to 25 years	**8.00%**	8.00%
26 - 30 years	**7.00%**	7.00%
31 - 35 years	**6.00%**	6.00%
36 - 40 years	**5.00%**	5.00%
41 - 45 years	**4.00%**	4.00%
46 - 50 years	**3.00%**	3.00%
51 - 55 years	**2.00%**	2.00%
Above 56 years	**1.00%**	1.00%

VI Weighted average Asset allocation (as percentage of total plan assets)

	2017-18	2016-17
(1) Equities	-	-
(2) Bonds	-	-
(3) Gilts	-	-
(4) Insurance Policies	**100%**	100%
Total	**100%**	100%

40 Disclosures as required by Ind AS 108, Operating Segments

(a) Identification of Operating Segments:
The Group Operate in a Single Reportable Operating Segment i.e. manufacturing and sale of PVC , XLPE, AF and EP Compound which have similar risk and returns and are of similar nature.
No other operating segments have been aggregated to form the above reportable operating segments as per the criteria specified in the Ind AS.

(b) Business Segment wise revenue/results/assets/liabilities
Since there is Single Reportable Operating Segment hence disclosure of Operating Segment wise Assets,Liabilities, Revenue and Results are not applicable.

(c) Geographical Information

(Rs. In Lacs)

		As at 31st March 2018	As at 31st March 2017
(i)	**Segment revenue by location of Customers:**		
	India	**143,537.99**	177,617.99
	Overseas	**32,409.20**	36,090.34
	Total	**175,947.19**	**213,708.33**
(ii)	**Segment Assets by location (Property, Plant & Equipment, Investment Property & Other Intangible Assets)**		
	India		
	East	**6,805.65**	4,791.68
	West	**17,579.37**	17,575.69
	Others	**235.88**	56.61
	Overseas	**-**	-
	Total	**24,620.90**	**22,423.98**

(d) The Group does not have material amount of tangible, intangible assets and non current operating assets located outside India.

(e) Product wise revenue from external customers has been detailed in Note No 27.

(f) Revenue from five customers is INR 19,471.97 (P.Y 23,386.18) lacs which is more than 10% of the total revenue of the Group.

41 (A) Related parties and their relationship with the Group :

(i)	Key Management Personnel of the Group:	Mr. Narrindra Suranna Mr. Rajesh Kothari Mr. P.R.Mukherjee Mr. I.C Dakalia Ms. Tanvi Panday
(ii)	Relative of Key Management Personnel	Mrs. Tara Devi Surana Mrs. Sarla Devi Surana Mr. Surendra Kumar Surana Mr. Dev Krishna Surana
(iii)	Shareholder Holding more than 20% of Equity Shares of the Group	Sri Ram Financial Consultants Pvt Ltd.
(iv)	Enterprises over which key management personnel are able to exercise significant influence with whom there were transactions during the year :	Bbigplas Poly Pvt. Ltd. Krishna Commodeals Pvt. Ltd. Inbara Holdings Pvt. Ltd. Shyambaba Trexim Pvt. Ltd.

(B) Disclosure of transactions with Related Parties

Nature of transactions	Ref. to Note (A) above	2017-18	2016-17
			(Rs. In Lacs)
Remuneration to KMP			
Mr. Narrindra Suranna	(i)	**42.00**	33.60
Mr. Rajesh Kothari	(i)	**40.00**	25.00
Mr. P.R.Mukherjee	(i)	**18.00**	18.00
Mr. I.C Dakalia	(i)	**20.90**	14.30
Ms. Tanvi Panday *	(i)	**5.50**	-
Mr. A.B Chakraborty **		**1.93**	11.56
		128.33	102.46

* Effective date of joining 1st June 2017. This remuneration is proportionate CTC for period of her service.
** Former Secretary of Kkalpana Industries (India) Ltd. resigned at w.e.f. 31st May 2017.

Interest expense			
Sri Ram Financial Consultants Pvt Ltd.	(iii)	**74.75**	74.75
Shyambaba Trexim Pvt. Ltd.	(iv)	**35.67**	34.83
Krishna Commodeals Pvt. Ltd.	(iv)	**4.89**	4.89
Inbara Holdings Pvt. Ltd.	(iv)	**4.03**	4.03
Rent			
Sri Ram Financial Consultants Pvt Ltd.	(iii)	**76.56**	2.00

(Rs. In Lacs)

Nature of transactions	Ref. to Note (A) above	As at 31st March 2018	As at 31st March 2017
Loan taken & outstanding at year end			
Sri Ram Financial Consultants Pvt Ltd.	(iii)	**1,800.00**	1,800.00
Shyambaba Trexim Pvt. Ltd.	(iv)	**840.00**	840.00
Krishna Commodeals Pvt. Ltd.	(iv)	**115.00**	115.00
Inbara Holdings Pvt. Ltd.	(iv)	**95.00**	95.00

42 Fair Value Measurement

The fair value of the financial assets and liabilities are included at 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 following methods and assumptions were used to estimate the fair values:

(1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables , other current liabilities, short-term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments.

(2) Financial instruments with fixed and variable interest rate are evaluated by the Group based on parameter such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

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

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

The following tables provides classification of financial instruments and the fair value hierarchy of the Group's assets and liabilities.

(a) Disclosure for the year ended 31st March, 2018

(Rs. In Lacs)

	Carrying Value	Fair Value		Fair Value heirarchy		
				Level 1	Level 2	Level 3
(1) Financial Assets						
Financial Assets at amortised cost						
Trade Receivables	**32,968.15**	**32,968.15**				**32,968.15**
Loans	-	-				-
Other Financial assets excluding derivative financial instruments	**541.75**	**541.75**				**541.75**
Cash & cash equivalents	**1,697.50**	**1,697.50**				**1,697.50**
	35,207.40	**35,207.40**				**35,207.40**
Financial Assets at fair value through profit or loss						
Derivative financial instruments	**86.86**	**86.86**			**86.86**	
	86.86	**86.86**	**-**	**-**	**86.86**	**-**
Assets for which fair values are disclosed						
Investment Property (Refer Note no. 6(b))	**-**					
Total	**35,294.26**	**35,294.26**	**-**	**-**	**86.86**	**35,207.40**
(2) Financial Liability						
Financial Liabilities at amortised cost						
Borrowings from banks and financial institutions	**22,431.18**	**22,431.18**				**22,431.18**
Trade Payables	**26,733.13**	**26,733.13**				**26,733.13**
Other Financial liabilities excluding derivative financial instruments	**1,026.92**	**1,026.92**				**1,026.92**
Total	**50,191.23**	**50,191.23**				**50,191.23**

(b) Disclosure for the year ended 31st March, 2017

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
(1) Financial Assets at amortised cost					
Trade Receivables	33,975.34	33,975.34			33,975.34
Loans	-	-			-
Other Financial assets excluding derivative financial instruments	966.00	966.00			966.00
Cash & cash equivalents	1,581.77	1,581.77			1,581.77
	36,523.11	36,523.11			36,523.11
Financial Assets at fair value through profit or loss					
Derivative financial instruments					
Investment in Equity shares	0.01	0.01	0.01		
Total	36,523.12	36,523.12	0.01		36,523.11
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from banks and financial institutions	35,105.06	35,105.06			35,105.06
Trade Payables	14,731.12	14,731.12			14,731.12
Other Financial liabilities excluding derivative financial instruments	1,286.66	1,286.66			1,286.66
Total	51,122.84	51,122.84			51,122.84

(c) Disclosure for the year ended 1st April, 2016

(Rs. In Lacs)

	Carrying Value	Fair Value	Fair Value heirarchy Level 1	Level 2	Level 3
(1) Financial Assets at amortised cost					
Trade Receivables	36,284.40	36,284.40			36,284.40
Loans	32.28	32.28			32.28
Other Financial assets excluding derivative financial instruments	2,102.16	2,102.16			2,102.16
Cash & cash equivalents	1,879.70	1,879.70			1,879.70
	40,298.54	40,298.54			40,298.54
Financial Assets at fair value through profit or loss					
Derivative financial instruments	-	-			
Investment in Equity shares	-	-			
Total	40,298.54	40,298.54			40,298.54
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from banks and financial institutions	34,759.09	34,759.09			34,759.09
Trade Payables	13,394.16	13,394.16			13,394.16
Other Financial liabilities excluding derivative financial instruments	1,126.19	1,126.19			1,126.19
Total	49,279.44	49,279.44			49,279.44

(d) Description of significant unobservable inputs to valuation:

Financial Asset/ Liability	Valuation Technique	Significant unobservable input
Trade Receivables	ECL	Realisation pattern or past experience
Loans	DCF using EIR method	Discount rate
Other Financial assets excluding derivative financial instruments	DCF using EIR method	Discount rate
Borrowings from banks and financial institutions	DCF using EIR method	Discount rate

43 Financial Risk Management Objective and Policies:

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and advances from customers. The main purpose of these financial liabilities is to finance the Group's operations, projects under implementation and to provide guarantees to support its operations. The Group's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes to be undertaken. The Board of Directors reviews and finalises policies for managing each of these risks, which are summarised below.

(a) 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. Market risk comprises three types of risk: interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include investments and deposits, foreign currency receivables, payables, loans and borrowings and derivative financial instruments.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

(i) 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. In order to optimize the Group's position with regard to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Interest rate sensitivity

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

	2017-18	2016-17
	(+/ -) 50 Basis Points	(+/ -) 50 Basis Points
Effect on profit before tax due to interest rate sensitivity	**91.43**	110.49

(ii) 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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group manages its foreign currency risk by hedging transactions that are expected to realise in future.

Foreign Currency Exposure		**As at 31st March, 2018**		**As at 31st March, 2017**		As at 1st April, 2016	
		Foreign Currency	**Functional Currency (Rs. in Lacs)**	Foreign Currency	Functional Currency (Rs. in Lacs)	Foreign Currency	Functional Currency (Rs. in Lacs)
I Hedged							
Forward contracts for imports	**USD**	**5,550,000.00**	**3,609.72**				
Forward contracts for exports	**USD**	**4,000,000.00**	**2,601.60**				
Term loan	**USD**	**-**	-	1,781,250.00	1,022.00	6,531,250.00	3,821.00

Foreign Currency Exposure		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		Foreign Currency	**Functional Currency (Rs. in Lacs)**	Foreign Currency	Functional Currency (Rs. in Lacs)	Foreign Currency	Functional Currency (Rs. in Lacs)
II **Not hedged**							
Trade receivables	**USD**	**3,446,684.83**	2,241.72	5,055,468.00	3,278.00	6,224,503.00	4,129.00
	URO	**2,826,250.38**	2,278.52	1,597,653.00	1,104.00	390,600.00	293.00
Trade payables	**USD**	**2,780,438.10**	1,808.40	3,544,350.0	2,298.00	7,878,322.00	5,226.00
	EURO	**405,075.00**	326.57	175,693.00	121.00	87,876.00	66.00
Cash & bank balance							
Foreign currency loan availed under buyers' credit	**USD**	**3,615,852.30**	2,350.74	11,666,399.29	7,564.33	12,768,415.20	8,469.66

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of unhedged monetary assets and liabilities.

(Rs. in lacs)

	2017-18	2016-17
	(+/-) 5%	(+/-) 5%
Effect on profit before tax		
USD	(95.92)	(334.31)
Euro	97.60	49.24
	1.68	(285.08)

Derivative Financial Instrument

The Group holds Derivative financial instrument such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposures. The counterparty for this contract is generally a Bank. Although the Group believes that these derivatives constitute hedges from an economic perspective these do not qualify for hedge accounting as per IND AS 109, Financial instrument. Since the above derivatives are not designated as hedges, such derivatives are categorised as financial asset or financial liability at fair value through profit & loss.

(Rs. in lacs)

	As at 31st March, 2018		**As at 31st March, 2017**	
	In USD	**Fair Value as on 31.03.2018**	**In USD**	**Fair Value as on 31.03.2018**
Derivatives not designated as hedges				
Forward Contracts	5,550,000.00	**64.74**		
Option Contracts	4,000,000.00	**22.12**	,781,250.00	-

(iii) Commodity price risk

Principal Raw Material for Group's products is variety of plastic polymers which are primarily Derivatives of Crude Oil. Group sources its raw material requirement from across the globe. Domestic market prices are also generally remains in sync with international market price scenario. Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand–supply scenario in the world market affect the effective price and availability of polymers for the Group. Group effectively manages with availability of material as well as price volatility through:

1. Widening its sourcing base
2. Appropriate contracts and commitments
3. Well planned procurement & inventory strategy and
4. Prudent hedging policy on foreign currency exposure

Risk committee of the Group comprising members from Board of Directors and operations has developed and enacted a risk management strategy regarding commodity Price risk and its mitigation.

(b) Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

(i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's 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.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

The ageing analysis of the receivables (gross of provisions) have been considered from the date of the invoice falls due.

(Rs in Lacs)

	As at 31st March, 2018	As at 31st March, 2017
Less than 6 months	**32,804.98**	33,574.04
6 to 12 months	**107.56**	222.50
more than 12 months	**55.61**	178.80
Total	**32,968.15**	33,975.34

(ii) Financial Instruments and Cash and bank balances

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Credit limits of all authorities are reviewed by the Management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to these entities.

(c) Liquidity Risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit, letter of credit, factoring,bill discounting and working capital limits.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual payments.

(Rs in Lacs)

	Less than 1 year	**1 to 5 years**	**> 5 years**	**Total**
31st March, 2018				
Borrowings				
Term Loans from Banks	**1,501.58**	**4,626.23**	**-**	**6,127.81**
Long Term Loans from Others	**-**	**1,862.27**	**-**	**1,862.27**
Cash credit from Banks	**12,090.36**	**-**	**-**	**12,090.36**
	-	**-**	**-**	**-**
Buyers credit from Banks	**2,350.74**	**-**	**-**	**2,350.74**
	-	**-**	**-**	**-**
Other Financial Liabilities other than current maturities of borrowings and lease obligation	**1,026.93**	**-**	**-**	**1,026.93**
Trade Payables	**26,733.13**	**-**	**-**	**26,733.13**
	43,702.74	**6,488.50**	**-**	**50,191.24**
31st March, 2017	**Less than 1 year**	**1 to 5 years**	**> 5 years**	**Total**
Borrowings				
Term Loans from Banks	1,870.36	4,964.58	-	6,834.94
Long Term Loans from Others	-	1,686.37	-	1,686.37
Cash credit from Banks	19,019.43	-	-	19,019.43
Buyers credit from Banks	7,564.33	-	-	7,564.33
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,286.65	-	-	1,286.65
Trade Payables	14,731.13	-	-	14,731.13
	44,471.90	6,650.95	-	51,122.85

(Rs in Lacs)

1st April, 2016	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings				
Term Loans from Banks	3,000.15	3,993.65	-	6,993.80
Long Term Loans from Others	-	1,560.28	-	1,560.28
Cash credit from Banks	17,735.34	-	-	17,735.34
Buyers credit from Banks	8,469.66	-	-	8,469.66
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,126.20	-	-	1,126.20
Trade Payables	13,394.16	-	-	13,394.16
	43,725.51	5,553.93	-	49,279.44

44 Capital Management:

A. For the purpose of the Group's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders, including capital reserve and net debt includes interest bearing loans and borrowings except cash and cash equivalents. The primary objective of the Group's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

(Rs in Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Borrowings	**22,431.18**	35,105.06	34,759.08
Less: Current investments	**-**	-	-
Less: Cash and cash equivalents	**1,697.50**	1,581.77	1,879.70
(a) Net Debt	**20,733.68**	33,523.29	32,879.38
(b) Equity	**29,439.10**	27,430.37	24,567.48
(c) Equity and Net Debt (a+b)	**50,172.78**	60,953.66	57,446.86
Gearing Ratio (a/c)	**41.32%**	55.00%	57.23%

B. Proposed Dividend

The Board of directors in its Board meeting held on 30th May 2018 have recommended the payment of a final dividend of Rs 0.24 paise per fully paid up equity share (March 31,2017 - Rs NIL), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

(Rs in Lacs)

45 Earning per share (EPS)

			2017-18	2016-17
(a)	Face value of equity shares	Rs.	**2.00**	2.00
(b)	Profit attributable to equity shareholders	Rs. In Lacs	**2,044.38**	2,605.50
(c)	Weighted average number of equity shares outstanding	Nos.	**94,072,930.00**	94,072,930.00
(d)	Weighted average earning per share (basic and diluted)	Rs.	**2.33**	2.79

46 Research & Development Expenses

The Group has in-house R&D centre. The details of revenue/capital expenditure incurred by the said R&D Centre during the year are as follows:-

		2017-18	2016-17
(a)	Revenue expenditure charged to Statement of Profit and Loss		
	Other Expenses	**16.08**	13.83
(b)	Capital expenditure shown under fixed assets schedule	**102.17**	204.89
	Grand Total	**118.26**	218.72

47 Assets Pledged as Security

The carrying amount of Assets pledged as security for current and non current borrowings are :-

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current			
Financial Assets			
First Pari Passu Charge			
Trade Receivables	**33,113.05**	33,975.34	36,284.40
Other Current Assets	**7,585.09**	4,413.93	6,144.46
Floating Charge			
Cash and Cash Equivalanct	**1,687.84**	1,558.85	1,879.70
Non Financial Assets			
First Charge			
Inventories	**15,543.90**	17,356.32	10,007.89
Total Current Assets Pledged as Security	**57,929.87**	57,304.43	54,316.44
Non Current			
Exclusive Charge			
Imovable properties located at Bhasa Unit.	**131.99**	131.99	131.99
First Pari Passu Charge			
Movable and immovable properties located at Surangi Unit	**14,220.24**	15,089.10	15,221.11
Movable and immovable properties located at Daman Unit	**1,645.17**	769.71	450.47
Movable and immovable properties located at Silvassa Unit	**1,511.87**	1,519.97	1,453.49
Movable and immovable properties located at Bhasa Unit	**631.70**	938.77	1,012.13
Total Non Current Assets Pledged as Security	**18,140.97**	18,449.54	18,269.19

48 VALUE OF IMPORTED AND INDEGENEOUS MATERIAL CONSUMED

Rs in Lacs

Particulars	As at 31st March 2018	%age of Total Consumption	As at 31st March 2017	%age of Total Consumption
Raw Materials				
i Imported	**65,565.20**	**44%**	89,617.49	52%
ii Indegeneos	**82,379.26**	**55%**	82,937.66	48%
Total	**147,944.46**	**100%**	172,555.15	100%
Store, Spare parts and Components				
i Imported	**149.02**	**35%**	61.58	44%
ii Indegeneous	**277.65**	**65%**	75.26	56%
Total	**426.67**	**100%**	136.84	100%

49 VALUE OF IMPORTS ON CIF BASIS

Particulars	As at March 31st, 2018	As at March 31st, 2017
Raw Materials	**60,564.17**	83,608.27
Stors, Spare parts and Components	**150.51**	124.07
Capital Goods	**140.31**	1,293.92
Total	**60,854.99**	85,026.26

50 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

	As at March 31st, 2018	As at March 31st, 2017
Exports at FOB Value	**32,409.20**	36,090.34
Total	**32,409.20**	36,090.34

51 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	As at March 31st, 2018	As at March 31st, 2017
Travelling	**11.69**	18.17
Exhibition	**12.99**	77.59
Interest	**112.46**	314.70
Other Matters	**5.73**	63.31
Total	**142.87**	473.77

52 Additional Information as stated under Schedule III of Companies Act 2013

Name of the Entity	Net Assets (i.e Total Assets - Total Liabilities)			Share in Profit and Loss		Amount (Rs. In Lacs)
Particulars	Net Assets (Rs. In Lacs)	As a %age of Net Assets	Amount (Rs. In Lacs)	PAT	As a % age of Profit or Loss	
Kkalpana Plastick Limited- Associate Company	659.77	36.23%	239.03	11.95	36.23%	4.33
Plastic Processors and Exporter Pvt Ltd - Subsidiary	(442.56)	90.00%	(398.30)	(423.98)	90.00%	(381.58)

53 (A) Reconciliation of Equity as at 31st March, 2016

	Note no.	IGAAP As at 1st April, 2016	IndAS Adjustment	IndAS As at 1st April, 2016
A ASSETS				
1 Non-current Assets				
Property, Plant and Equipment	1	20,577.53	(1,281.68)	19,295.85
Capital Work-in-Progress		373.31	-	373.31
Investment Property	1	-	1,281.68	1,281.68
Other Intangible Assets		25.01	-	25.01
Financial Assets		-	-	-
(i) Investments	2	314.54	(60.62)	253.92
(ii) Loans		-	-	-
(iii) Other Financial Assets	3	925.66	(3.28)	922.38
Other Non-Current Assets	3	339.68	3.16	342.84
Income Tax Assets (Net)		-	-	-
		22,555.73	(60.74)	22,494.99
2 Current Assets				
Inventories		10,007.88	-	10,007.88
Financial Assets				
(i) Trade Receivables	4	37,382.77	(1,098.37)	36,284.40
(ii) Cash & Cash Equivalents		1,879.70	-	1,879.70
(iii) Loans		32.28	-	32.28
(iv) Other Financial Assets		1,179.78	-	1,179.78
Other Current Assets		4,932.35	0.05	4,932.40
		55,414.76	(1,098.32)	54,316.44
Total		77,970.49	(1,159.06)	76,811.43
B EQUITY & LIABILITIES				
1 Equity				
Equity Share Capital		1,881.46	-	1,881.46
Other Equity	5	22,500.87	185.15	22,686.02
		24,382.33	185.15	24,567.48
2 Non Current Liabilities				
Financial Liabilities				
(i) Borrowings	6	6,996.29	(1,442.35)	5,553.94
(ii) Other Financial Liabilities				
Provisions		42.41	-	42.41
Deferred Tax Liabilities (net)	7	2,073.37	98.18	2,171.55
		9,112.07	(1,344.17)	7,767.90

				Rs in Lacs
3 Current Liabilities				
Financial Liabilities				
(i) Borrowings		26,205.00	-	26,205.00
(ii) Trade Payables		13,394.16	-	13,394.16
(iii) Other Financial Liabilities		4,126.34	-	4,126.34
Other Current Liabilities		180.27	-	180.27
Provisions		146.84	-	146.84
Current Tax Liabilities (net)		423.44	-	423.44
		44,476.05	-	44,476.05
Total		77,970.45	(1,159.02)	76,811.43

(B) Reconciliation of Equity as at 31st March, 2017

	Note no.	IGAAP As at 31st March 2017	IndAS Adjustment	Ind AS As at 31st March 2017
A ASSETS				
1 Non-current Assets				
Property, Plant and Equipment	1	22,403.29	(1,281.68)	21,121.61
Capital Work-in-Progress		1,401.00	-	1,401.00
Investment Property	1	-	1,281.68	1,281.68
Goodwill		49.60	-	49.60
Other Intangible Assets		20.69	-	20.69
Financial Assets		-	-	-
(i) Investments	2	288.01	(53.29)	234.72
(ii) Loans		-	-	-
(iii) Other Financial Assets	3	810.58	(113.30)	697.28
Other Non-Current Assets	3	(163.14)	341.50	178.36
		24,810.03	174.91	24,984.94
2 Current Assets				
Inventories		17,356.32	-	17,356.32
Financial Assets				
(i) Investments				
(ii) Trade Receivables	4	34,970.70	(995.36)	33,975.34
(iii) Cash & Cash Equivalents		1,581.77	-	1,581.77
(iv) Loans		-	-	-
(v) Other Financial Assets		158.42	110.30	268.72
Other Current Assets	3	4,070.84	0.84	4,071.68
		58,138.05	(884.22)	57,253.83
Total		82,948.08	(709.31)	82,238.77
B EQUITY & LIABILITIES				
1 Equity				
Equity Share Capital		1,881.46	-	1,881.46
Other Equity	5	25,314.61	236.16	25,550.77
		27,196.07	236.16	27,432.23
Non Controlling Interest		(1.86)	-	(1.86)
2 Non Current Liabilities				
Financial Liabilities				
(i) Borrowings	6	8,109.13	(1,458.19)	6,650.94
Provisions		54.41	-	54.41
Deferred Tax Liabilities (net)	7	2,408.36	37.60	2,445.96
		10,571.90	(1,420.59)	9,151.31

Rs in Lacs

3	**Current Liabilities**			
	Financial Liabilities			
	(i) Borrowings	26,583.76	-	26,583.76
	(ii) Trade Payables	14,731.12	-	14,731.12
	(iii) Other Financial Liabilities	2,681.93	475.09	3,157.02
	Other Current Liabilities	311.85	-	311.85
	Provisions	167.97	-	167.97
	Current Tax Liabilities (net)	705.37	-	705.37
		45,182.00	475.09	45,657.09
	Total	82,948.11	(709.34)	82,238.77

(C) Reconciliation of profit or loss for the year ended 31 March, 2017

		Note no.	IGAAP 2016-17	IndAS Adjustment	IndAS 2016-17
I	**INCOME**				
	Revenue from Operations	8	195,485.72	18,222.61	213,708.33
	Other Income	9	1,080.19	1.47	1,081.66
	Total Income		196,565.91	18,224.08	214,789.99
II	**EXPENSES**				
	Cost of Materials Consumed		172,555.15	-	172,555.15
	Purchase of Stock-in-Trade		-	-	-
	Changes in Inventories of Finished Goods & Work-in-Progress		497.09	-	497.09
	& Stock-in-Trade		-	-	-
	Excise Duty		-	18,699.98	18,699.98
	Employee Benefits Expense	10	2,216.36	(4.53)	2,211.83
	Finance Costs	11	5,278.67	119.83	5,398.50
	Depreciation & Amortization Expense	12	1,314.60	0.19	1,314.79
	Other Expenses	13	10,970.43	(586.17)	10,384.26
	Total Expenses		192,832.30	18,229.30	211,061.60
III	**PROFIT BEFORE SHARE OF PROFIT/(LOSS) FROM INVESTMENT IN ASSOCIATE AND TAX**		3,733.61	(5.22)	3,728.39
IV	**SHARE OF PROFIT/(LOSS) OF ASSOCIATE**		(19.21)	-	(19.21)
V	**PROFIT BEFORE TAX**		3,714.40	(5.22)	3,709.18
	Tax expense				
	Current tax		826.41	-	826.41
	Tax for Previous Year		-	-	-
	Deferred tax	7	336.61	(59.00)	277.61
	Total Tax expense		1,163.02	(59.00)	1,104.02
VI	**PROFIT FOR THE YEAR AFTER TAX**		2,551.38	53.78	2,605.16
VII	**OTHER COMPREHENSIVE INCOME**				
	i Items that will not be classified to profit and loss	14	-	(4.54)	(4.54)
	ii Income tax relating to items that will not be classified to profit and loss	14	-	1.57	1.57
	Total Other Comprehensive Income For The Year		-	(2.97)	(2.97)
VII	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX**		2,551.38	50.81	2,602.19

(D) Notes to the Reconciliation

1. **Property Plant & Equipment**
The Group has elected to measure all its Property, Plant and Equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016. However, the Group has identified and reclassifed Land at West Bengal amounting Rs 1281.67 Lacs immovable properties as Investment Properties on the date of transition i.e. 1st April, 2016 on the basis of currently undermined future use and the same has been adjusted accordingly on the 1st April 2015 & 31st March 2016.

2. **Non Current Investments**
The Group holds certain investments in Quoted Equity shares as well as unquoted equity shares. As per IND AS 109, these investments are to be measured at Fair value through profit & loss. Loss at the time of transition of Rs. 60.22 lacs is recognised in retained earnings and subsequent gain of Rs. 135.10 only is recognised in statement of profit and loss. Also investment amounting to Rs 7.32 lacs has been written back in the statement of profit and loss in the financial year 2016-17 as the same has been written off as on the transition date.
The Group also holds certain Investments in Government and trust securities such as Kisan Vikas Patra, National Saving Certificate etc. The Group has no expectations of recovering such investment in its entirety such investment has been written off and adjusted with Retained earnings amounting to Rs 0.40 lacs.

3 **Other Non Current Financial Assets/ Non Current Assets & Current Assets**
The Group has recognized the present value of security deposit receivable as on the transition date due to which Rs. 3.20 lacs has been de-recognised from the security deposit receivable and Prepaid Rent of the same amount has been recognised. In the financial year 2016-17 Rs. 0.96 Lacs has been de-recognised from the security deposit receivable and Prepaid Rent of the same amount has been recognised. Subsequent to the date of transition to IND AS interest income has been recognised by increasing the security deposit receivable on account of discounting factor and also prepaid rent would be subsequently expensed off over the life of such security deposits, accordingly 0.76 lacs has been expensed off and Rs. 0.71 lacs has been recognised as interest income in Retained earnings as on transition date. Subesquently in the financial year 2016-17 Rs. 1.51 lacsof rent has been expensed off and Rs. 1.46 lacs has been recognised as interest income in Retained earnings. Prepaid portion of Security deposit has also been further sub classified as Current , Non - Current based on realisation criteria.

4 **Current Trade Receivables**
The Group has applied practical expediency in calculation of the expected credit losses on trade receivables by using the provision matrix for each business segment as detailed in Note No. 13 of notes to the financial statements. Outstanding balance of provision as at 31st March, 2017: Rs.9.95 crores and as at 1st March, 2016: Rs.10.98 Crore.

5 **Other Equity**
The adjustments pertaining to opening balance sheet at the time of transition to Ind AS are adjusted into retained earnings and subsequently , the adjustments are made into Profit or Loss or Other Comprehensive Income as prescribed under Ind AS.

Rs in Lacs

		As at 31st March, 2017 (Adjusted through P/L)	As at 1st April, 2016 (Adjusted through Retained Earnings)
(i)	Investment written off	-	(0.40)
(ii)	Fair Valuation of Investment through P/L	0.00	(60.22)
(iii)	Amortisation of transaction cost	39.19	38.00
(iv)	Unwinding of Interest due to Present Value of Security Deposit	1.46	0.71
(v)	Notional Rent on security deposit	(1.51)	(0.77)
(vi)	Deferred tax impact	60.57	(98.18)
(vii)	Fair Valuation of Unsecured loan	(159.02)	1,404.36
(viii)	Provision for Doubtful debt	103.01	(1,098.37)
(ix)	Investment written back	7.32	-
		51.02	185.13

6 Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings were amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and subsequently charged to profit or loss using the effective interest method. Accordingly as on the transition date, processing fees of Rs. 38.00 lacs has been included in the initial recognition amount of the borrowings by crediting Retain earnings. In the subsequent year 2016-17 processing fees of Rs. 49.07 Lacs has further been included in the initial recognition amount of borrowings by subsequently crediting Profit & loss account and Rs. 9.89 Lacs has been debited to Profit & Loss a/c on account of amortisation of processing fees.

The Group has taken unsecured loan from related parties at lower interest rate and the same has been measured at amortised cost using present value technique considering interest rate prevailing in market. Accordingly Rs. 14.04 crores has been credited to Retain earnings on account of fair valuation as on transition date and subsequently Rs. 1.59 crores has been debited to profit & Loss on account of interest provision on such unsecured loan.

7 Deferred Tax Liability/Asset

Indian GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. On the date of transition, the net impact on deferred tax liabilities of Rs.98.18 lacs has been recognised in retained earnings and for the year ended 31st March 2017,deferred tax liability reversal of Rs.60.57 lacs has been recognised in statement of profit and loss.

8 Sale of Goods

Under IND AS volume discount are to be netted off from sale of product which was accounted as expense under Indian GAAP. Hence sale of product is reduced by Rs. 477.36 lacs for the period ended 31st March 2017. Under Indian GAAP sale of goods was presented as net of excise duty. However under INDAS sale of goods include excise duty. Excise duty on sale of goods is seperately presented on the face of statement of profit & loss. Accordingly sale of goods under INDAS for the year ended 31st march 2017 has increased by 18699.98 lacs.

9 Other Income	**2016-17**
Unwinding of Interest due to Present Value of Security Deposit	1.46
	1.46

10 Employee Benefit Expenses

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in the balance sheet through OCI. Thus the employee benefit expense is reduced by Rs.4.53 Lacs and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

11 Finance Cost	**2016-17**
(i) Amortisation of transaction cost of borrowings	9.89
(ii) Reversal of transaction cost debited in P/L as per IGAAP	(49.08)
(ii) Unwinding of interest in respect to Unsecured loan at lower interest rate	159.02
	119.83

12 Depreciation and amortisation expense	**2016-17**
(i) Depreciation on Revaluation Reserve reversed	(0.19)
	(0.19)

13 Other Expenses	**2016-17**
(i) Fair valuation of Investment through P/L	-
(ii) Notional Rent on Security Deposit	1.51
(iii) Investment written back	(7.32)
(iv) Provision for Doubtful debt	(103.01)
(v) Discount allowed netted off with Revenue	(477.36)
	(586.18)

14	Other Comprehensive Income	2016-17
	(i) Remeasurement of defined benefits plans	(4.53)
		(4.53)

(E) There is no material impact on the Statement of Cash Flows due to the transition from previous GAAP to Ind AS.

54 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounts Standards) Amendment Rules, 2018 has notified the following amendments to Ind AS viz. Ind AS 115- Revenue from contracts with Customers, Ind AS-21- The effect of charges in Foreign Exchange Rates, Ind AS 12 - Income Taxes, Ind AS 40 - Investment Property & Ind AS 28 - Investments in Associates and Joint Ventures which the Company has not applied as they are effective for annual periods begining on or after 1st April, 2018.

Previous year figures have been regrouped/rearranged/ reclassified where necessary to correspond with current year figures.

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

B. Mukherjee
Partner
Membership No. 002941
Date: 30.05.2018
Place: Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)
Whole Time Director

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

KEMA

TIC 1002-14

TYPE TEST CERTIFICATE OF COMPLETE TYPE TESTS

OBJECT	Single-core power cable
TYPE	A2XS(FL)2Y

Rated voltage, U_0/U (U_m)	**18/30 (36) kV**	**Conductor material**	**AL**
Conductor cross-section	**1x185 mm²**	**Insulation material**	**XLPE**

MANUFACTURER	FKN DOOEL, Negotino, Macedonia
CLIENT	FKN DOOEL, Negotino, Macedonia
TESTED BY	KEMA Nederland B.V., Arnhem, The Netherlands
DATE(S) OF TESTS	13 January to 27 February 2014

The object, constructed in accordance with the description, drawings and photographs incorporated in this Certificate, has been subjected to the series of proving tests in accordance with

IEC 60502-2 (2005)

This Type Test Certificate has been issued by KEMA following exclusively the STL Guides.

The results are shown in the record of Proving Tests and the oscillograms attached hereto. The values obtained and the general performance are considered to comply with the above Standard and to justify the ratings assigned by the manufacturer as listed on page 4.

This Certificate applies only to the object tested. The responsibility for conformity of any object having the same type references as that tested rests with the manufacturer.

This Certificate consists of 38 pages in total.

KEMA Nederland B.V.

S.A.M. Verhoeven
Director Testing, Inspections & Certification The Netherlands

Arnhem, 26 March 2014

KEMA

TIC 1002-14

Insulation	
– material	XLPE
– nominal thickness	8,0 mm
– material designation	KI-XL-8503
– manufacturer of the material	Kalpana Industries Limited-India
Conductor screen	
– material	Semi-conducting XLPE
– nominal thickness	0,6 mm
– material designation	KI-XLC-09
– manufacturer of the material	Kalpana Industries Limited-India
Insulation (core) screen	
– material	Semi-conducting XLPE
– strippable	No
– nominal thickness	0,7 mm
– material designation	KI-XLC-09
– manufacturer of the material	Kalpana Industries Limited-India
Metal foil or tape, longitudinally applied, bonded to the oversheath	Yes
– material	Aluminium
– nominal thickness	0,3 mm
Oversheath	
– material	PE, type ST_7
– nominal thickness	3,0 mm
– nominal overall diameter of the cable (D)	44,5 mm
– material designation	KT-BSC-0366
– manufacturer of the material	Kalpana Industries Limited-India
– colour	Black
– graphite coating applied	No
Fire retardant (according to IEC 60332-1)	No
Manufacturing details insulation system	
– location of manufacturing	Negotino, Macedonia
– type of extrusion line	CCV
– type of extrusion	Triple common extrusion
– factory identification of extrusion line	130199
– manufacturer of the extrusion line	Royle Systems Group
– curing means	Dry cure (nitrogen)
– cooling means	Water
– manufacturing length (where cable sample for testing has been taken from)	3000 m
– length markings on cable sample sent to KEMA	Begin: 0088 m, end: 0146m

BOOK POST

If undelivered, please return to :

Kkalpana Industries (India) Limited

(Formerly : Kalpena Industries Limited)

2B, Pretoria Street, Kolkata - 700 071,

Tel : +91-33-2282 3744 /45/3671/99, Fax : +91-33-2282 3739

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