Kkalpana Industries (India) Limited

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

KOLKATA BENCH AT KOLKATA

C.A. (C.A.A.) No.106/KB/2021

Kkalpana Industries (India) Limited

Registered Office: 2B, Pretoria Street, Kolkata – 700 071, West Bengal

Phone: +91-33-2282 3744 / 3745; **Fax**: +91-33-2282 3739

E-mail: kolkata@kkalpana.co.in; **Website**: www.kkalpanagroup.com

CIN: L19202WB1985PLC039431

NOTICE CONVENING MEETING OF THE SECURED CREDITORS OF

KKALPANA INDUSTRIES (INDIA) LIMITED

(pursuant to the Order dated 14th June, 2021 passed by the Hon'ble National Company Law Tribunal, Kolkata Bench)

IN THE MATTER OF the Companies Act, 2013.

And

IN THE MATTER OF Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

And

IN THE MATTER OF The Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016.

And

In the matter of:

KKALPANA INDUSTRIES (INDIA) LIMITED, having its registered office at 2B, Pretoria Street, Kolkata – 700 071, West Bengal.

… **Demerged Company**

And

In the matter of:

DDEV PLASTIKS INDUSTRIES LIMITED, having its Registered Office at 2B, Pretoria Street, Kolkata – 700 071, West Bengal.

… Resulting Company

And

Kkalpana

Kkalpana Industries (India) Limited

1. **KKALPANA INDUSTRIES (INDIA) LIMITED**
2. **DDEV PLASTIKS INDUSTRIES LIMITED**

… **APPLICANTS**

DETAILS OF THE MEETING:

Day	Thursday
Date	29th July, 2021
Time	2:00 PM
Mode	In view of the Covid-19 pandemic and related social distancing norms and as per the directions of the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT" / "Tribunal"), the Meeting shall be conducted through Video Conferencing/ Other Audio Visual Means ("VC/OAVM")
Remote E-Voting/ E-Voting during the Tribunal Convened Meeting	***Remote E-Voting*** Commencing on: Monday, 26th July 2021 at 9:00 AM (IST) Ending on: Wednesday, 28th July 2021 at 5:00 PM (IST) ***E-Voting during the Tribunal Convened Meeting*** E-voting facility shall also be available to the Secured Creditors of the Demerged Company during the Tribunal Convened Meeting

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Regd Office : 2B, Pretoria Street, Kolkata - 700 071
Tel. : +91.33-2282 3744/45/3671/99, Fax : +9133-2282 3739, E-mail : kolkata@kkkpana.co.in
Mumbai Office : 106, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053, India
Tel.: +91-22-67021470/71/72, Fax : +91-22-6702 1473 E-mail : mumbai@kkalpana.co.in
www.kkalpanagroup.com
CIN: L19202WB1985PLC039431

Kkalpana Industries (India) Limited

Kkalpana

Kkalpana Industries (India) Limited

FORM NO. CAA.2

[Pursuant to Section 230(3) the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016]

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

KOLKATA BENCH AT KOLKATA

C.A. (C.A.A.) No.106/KB/2021

IN THE MATTER OF the Companies Act, 2013.

And

IN THE MATTER OF Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

And

IN THE MATTER OF The Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016.

And

In the matter of:

KKALPANA INDUSTRIES (INDIA) LIMITED, having its registered office at 2B, Pretoria Street, Kolkata – 700 071, West Bengal.

… **Demerged Company**

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1. **KKALPANA INDUSTRIES (INDIA) LIMITED**
2. **DDEV PLASTIKS INDUSTRIES LIMITED**

… **APPLICANTS**

Kkalpana

Kkalpana Industries (India) Limited

Notice Convening the Meeting of Secured Creditors

of Kkalpana Industries (India) Limited

To

All the Secured Creditors of

Kkalpana Industries (India) Limited

Notice is hereby given that by an order dated 14th June, 2021 the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT" / "Hon'ble Tribunal") has directed a meeting of Secured Creditors of Kkalpana Industries (India) Limited ("Demerged Company") to be held through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") on Thursday, 29th July, 2021 at 2:00 PM ("Tribunal Convened Meeting") for the purpose of considering, and if thought fit, approving with or without modification(s), the following resolution:

SPECIAL BUSINESS:

*"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232, read with section 66 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force), and the rules, regulations, circulars and notifications issued thereunder (including any statutory modification or re-enactment thereof), as may be applicable, and subject to the enabling provisions in the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Kolkata Bench ("**NCLT**"), and subject to such other approval, permission and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between Kkalpana Industries (India) Limited and Ddev Plastiks Industries Limited and their respective shareholders and creditors ("**Scheme**") placed before this Tribunal Convened Meeting and initialed by the Chairman of the Tribunal Convened Meeting for the purpose of identification, be and is hereby approved;*

***RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."*

Kkalpana Industries (India) Limited

In pursuance of the said the NCLT order and as directed therein, the Tribunal Convened Meeting of Secured Creditors of the Demerged Company will be held through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") on Thursday, 29th July, 2021 at 2:00 PM (IST), following the operating procedures (with requisite modifications as may be required) referred to in General Circular No. 14/2020 dated 8th April, 2020 read with General Circular No. 17/2020 dated 13th April, 2020, General Circular No.22/2020 dated 15 June 2020, General Circular No. 33/2020 dated 28th September, 2020, General Circular No. 39/2020 dated 31st December, 2020 and General Circular No.10/2021 dated 23rd June, 2021, issued by the Ministry of Corporate Affairs, Government of India (hereinafter referred to as "MCA Circulars") and Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 (hereinafter referred to as "SEBI Circulars"). Further, for the purpose of technical compliance of the provisions of the Act, we are assuming that the place of the Tribunal Convened Meeting is the place where the Demerged Company is domiciled, i.e., the Registered Office of the Demerged Company.

In compliance with the provisions of Section 230 and Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Demerged Company has provided the facility of voting by remote E-Voting (commencing from Monday, 26th July 2021 at 9:00 AM (IST) and ending on Wednesday, 28th July 2021 at 5:00 PM (IST)) as well as voting through E-Voting facility at the Tribunal Convened Meeting, so as to enable the Secured Creditors, to consider and approve the Scheme. Accordingly, voting by Secured Creditors of the Demerged Company shall be carried out through: (a) E-Voting during the Tribunal Convened Meeting to be held on Thursday, 29th July, 2021, and (b) Remote E-Voting. The Secured Creditors opting to cast their votes by remote E-Voting or E-Voting during the Tribunal Convened Meeting through VC/OAVM are requested to read the instructions in the notes below carefully.

A copy of the Scheme, the Explanatory Statement under Section 230, Section 232, and Section 102 of the Act read with Rule 6 of the CAA Rules, along with other enclosures as indicated in the index, are enclosed herewith. A copy of this Notice and accompanying documents will be placed on the website of the Demerged Company, *viz.* www.kkalpanagroup.com, on the website of National Securities Depositories Limited ("NSDL") at www.evoting.nsdl.com and also on the website of the stock exchanges where the shares of the Demerged Company are listed, *viz.* BSE (www.bseindia.com) and CSE (www.cse-india.com). The Demerged Company shall furnish a copy of the Scheme within two working days of any requisition of the Scheme being made by any Secured Creditor, to the Demerged Company, by an e-mail at tanvi.panday@kkalpana.co.in / kolkata@kkalpana.co.in. A recorded transcript of the Tribunal Convened Meeting shall also be made available on the website of the Demerged Company.

The Hon'ble Tribunal has appointed CS Deepak Kumar Khaitan, Practising Company Secretary as Chairperson of the aforesaid Tribunal Convened Meeting.

The Hon'ble Tribunal has appointed Mr. Deepak Pandey, Chartered Accountant as the Scrutinizer for the Tribunal Convened Meeting. The above-mentioned Scheme, if approved in

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Kkalpana Industries (India) Limited

the Tribunal Convened Meeting, will be subject to the subsequent approval of the Hon'ble Tribunal.

At least one independent director and the auditor (or his authorized representative who is qualified to be an auditor) shall also attend the Tribunal Convened Meeting through VC/OAVM.

Upon completion of the scrutiny of the remote E-Voting and E-Voting during the Tribunal Convened Meeting, the Scrutinizer will submit his report. The result together with scrutinizer report will be displayed at the registered office of the Company, on the website of the Demerged Company, *viz.* www.kkalpanagroup.com, on the website of National Securities Depositories Limited ("NSDL") at www.evoting.nsdl.com, besides being communicated to BSE Limited and the Calcutta Stock Exchange Limited.

Dated this 25th day of June 2021

Sd/-

CS Deepak Kumar Khaitan

(Chairperson appointed by the Hon'ble National Company Law Tribunal, Kolkata Bench for the aforesaid Tribunal Convened Meeting)

Drawn by :
Sd/-

Ms. Tanvi Panday

Company Secretary

Kkalpana Industries (India) Limited

Kkalpana

Kkalpana Industries (India) Limited

Notes:

1. In view of the ongoing Covid-19 pandemic, social distancing norms to be followed and pursuant to the order dated 14th June, 2021, in Company Application No. 106/KB/2021 passed by the Hon'ble NCLT, the Tribunal Convened Meeting of the Secured Creditors of the Demerged Company is being convened on Thursday, 29th July, 2021 at 2:00 PM (IST) through VC / OAVM, without the physical presence of the Secured Creditors at a common venue, as per applicable procedure mentioned in the MCA Circulars and SEBI Circulars (hereinafter collectively referred as "Circulars"), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme.

2. Explanatory Statement to the Tribunal Convened Meeting, under Sections 230, 232 and 102 of the Act read with Rule 6 of the CAA Rules, is annexed with the Notice.

3. **In terms of the MCA Circulars and SEBI Circulars, since the physical attendance of Secured Creditors has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Secured Creditors under Section 105 of the Act will not be available for the Tribunal Convened Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

   However, pursuant to Section 112 and Section 113 of the Act, Authorized Representatives of the Secured Creditors may be appointed for the purpose of voting through remote E-Voting, for participation in the Tribunal Convened Meeting through VC/OAVM facility and E-Voting during the Tribunal Convened Meeting, provided an authority letter/ power of attorney by the board of directors or a certified copy of the resolution passed by its board of directors or other governing body authorizing such representative to attend and vote at the Tribunal Convened Meeting, on its behalf, along with the attested specimen signature of the duly authorized signatories who are authorized to vote is emailed to the Scrutinizer at deepakpandey.aca@gmail.com with a copy marked to tanvi.panday@kkalpana.co.in / kolkata@kkalpana.co.in and evoting@nsdl.co.in.

4. Only such Secured Creditors of the Demerged Company may attend and/or e-vote (either in the Tribunal Convened Meeting through VC/OAVM or through remote E-Voting), whose names appear in the Chartered Accountant's certificate certifying the list of Secured Creditors of the Demerged Company as on 31st December, 2020, as has been filed with the Hon'ble NCLT. A person/ entity who is not a Secured Creditor on such date should treat the notice for information purposes only and shall not be entitled to avail the facility of voting.

5. The Secured Creditors can join the Tribunal Convened Meeting in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned hereinbelow.

6. The attendance of the Secured Creditors attending the Tribunal Convened Meeting through VC/ OAVM will be counted for the purpose of reckoning the quorum. In terms of the directions contained in the Order dated 14th June, 2021, the quorum for the Tribunal Convened Meeting shall be in terms of Section 103 of the Act.

7. In line with the aforesaid MCA Circular and SEBI Circular and in terms of the directions contained in the Order dated 14th June, 2021, the Notice of the Tribunal Convened Meeting, *inter-alia* indicating the process and manner of voting through electronic means along with relevant documents are being sent only through electronic mode to those Secured Creditors whose email addresses are registered with the Demerged Company. Secured Creditors may note that this Notice along with the relevant documents will be available on the website of the Demerged Company at www.kkalpanagroup.com, on the website of the stock

exchanges, i.e., BSE, at www.bseindia.com, on the website of CSE at www.cse-india.com and on the website of NSDL at www.evoting.nsdl.com.

8. In compliance with the aforesaid Circulars, the Demerged Company shall publish a public notice by way of an advertisement in Business Standard and in Aajkal, both having a wide circulation in Kolkata, where the registered office of the Demerged Company is situated and having electronic editions, *inter alia*, advising the Secured Creditors whose e-mail IDs are not registered with the Demerged Company, to register their e-mail IDs with the Company.

9. In accordance with the provisions of Sections 230-232 of the Companies Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the equity shareholders, of the Applicant Company, voting in person through VC/ OAVM or remote e-voting, approve the Scheme.

10. In terms of Observation Letter issued by BSE on 1st April 2021, bearing reference number DCS/AMAL/PB/R37/1937/2020-21, the Scheme of Arrangement shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

11. **Instructions for Secured Creditors for Remote e-Voting are as under:**

    a. In compliance with the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") and MCA Circulars and SEBI Circulars, the Demerged Company is pleased to provide to its Secured Creditors facility to exercise their right to vote on resolutions proposed to be passed in the Tribunal Convened Meeting by electronic means.

    b. NSDL will be providing facility for remote E-Voting, participation in the Tribunal Convened Meeting through VC/ OAVM and E-Voting during the Tribunal Convened Meeting.

    c. The remote E-Voting period will commence on Monday, 26th July, 2021 (at 9:00 AM IST) and end on Wednesday, 28th July, 2021 (at 5:00 PM IST). During this period, the Secured Creditors of the Demerged Company may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL upon expiry of aforesaid period. Once the vote on a resolution is cast by the Secured Creditor , the Secured Creditor shall not be allowed to change it subsequently.

    d. The details of the process and manner for remote E-Voting are explained herein below:

    Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    Step 2: Cast your vote electronically on NSDL e-Voting system.

    Details on Step 1 is mentioned below:

    How to Log-in to NSDL e-Voting website?

    I. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

    II. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

    III. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

IV. Your User ID and password details are being sent in the e-mail along with this Notice.

V. If you are unable to retrieve or have not received the "Initial password" you can send a request at evoting@nsdl.co.in mentioning your name, PAN and your registered address.

VI. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

VII. Now you will have to click on "Login" button.

VIII. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

I. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

II. After clicking on Active Voting Cycles, you will be able to see the Company "EVEN" in which you are a Secured Creditor and whose voting cycle is in active status.

III. Select "EVEN" of the Company.

IV. Now you are ready for e-Voting as the Voting page opens.

V. Cast your vote by selecting appropriate options i.e. assent or dissent, and click on "Submit" and "Confirm" when prompted.

VI. Upon confirmation, the message "Vote cast successfully" will be displayed.

VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

e. In case of any query / grievance with respect to Remote E-voting, Secured Creditors may refer to the Frequently Asked Questions (FAQs) for Shareholders and Remote E-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website or contact Mr. Amit Vishal, Senior Manager / Ms. Pallavi Mhatre, Manager, NSDL, Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at telephone no. 022 – 24994360 / 022 – 24994545 or toll free no. 11800 1020 990 / 1800 22 44 30 or at E-mail ID : evoting@nsdl.co.in. Secured Creditors may also write to the Company Secretary at the email address: tanvi.panday@kkalpana.co.in.

12. **Process for those Secured Creditors whose email IDs are not registered for procuring user ID and password and registration of email IDs for e-Voting on the resolutions set out in this Notice:**

a. Those Secured Creditors, who have not registered their email address with the Demerged Company and who wish to participate in the Tribunal Convened Meeting or cast their vote through remote E-Voting or through the E-Voting system during the

Tribunal Convened Meeting, may obtain the login ID and password by sending scanned copy of:

(i) a signed request letter mentioning your name and complete address;

(ii) self-attested scanned copy of the PAN Card; and

to the email address, rta@cbmsl.com and evoting@nsdl.co.in

b. Alternatively, Secured Creditors may send an email request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in point (a) above.

13. **Instructions for Secured Creditors for participating in the Tribunal Convened Meeting through VC/OAVM are as under:**

a. A person, whose name appears in the Chartered Accountant's certificate certifying the list of Secured Creditors of the Demerged Company as on 31st December, 2020, as has been filed with the Hon'ble NCLT, only shall be entitled to avail the facility of remote e-voting or for participation at the Tribunal Convened Meeting. A person who is not a Secured Creditor as on the aforementioned date and whose name does not appear in the aforementioned list, should treat the Notice for information purpose only.

b. Any person who is an Secured Creditor, whose name appears in the Chartered Accountant's certificate certifying the list of Secured Creditors of the Demerged Company as on 31st December, 2020, as has been filed with the Hon'ble NCLT, will be assigned a User ID and Password which will be communicated along with the Notice being sent through e-mail at the last known e-mail address as registered with the Demerged Company. Please also see details under remote e-voting instructions below regarding User ID and Password.

c. Secured Creditors will be required to use Internet with a good speed to avoid any disturbance during the Tribunal Convened Meeting.

d. Please note that Secured Creditors connecting from mobile devices or tablets or through laptops, etc. connecting *via* mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

e. Secured Creditors can submit questions in advance with regard to the resolutions to be placed at the Tribunal Convened Meeting, from their registered email address, mentioning their name, PAN and mobile number, to reach the Demerged Company's email address: tanvi.panday@kkalpana.co.in at least 48 hours in advance before the start of the Tribunal Convened Meeting, i.e., by Tuesday, 27th July 2021, by 2:00 PM (IST). Such questions by the Secured Creditors shall be taken up during the Tribunal Convened Meeting and replied by the Demerged Company suitably.

f. Secured Creditors, who would like to ask questions during the Tribunal Convened Meeting with regard to the resolutions to be placed at the Tribunal Convened Meeting, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, PAN and mobile number, to reach the Demerged Company's email address: tanvi.panday@kkalpana.co.in, at least 48 hours in advance before the start of the Tribunal Convened Meeting, i.e., by Tuesday, 27th July 2021, by 2:00 PM (IST). Those Secured Creditors who have registered themselves as a speaker shall be allowed to ask questions during the Tribunal Convened Meeting, depending upon the availability of time. The Demerged Company/ the Chairman of the Tribunal Convened Meeting reserves the right to restrict the number of questions, time allotted and number of speakers for smooth conduct of the Tribunal Convened Meeting.

g. Queries on the businesses covered in the Notice may be sent to the Company Secretary, in advance, so that the answers may be made readily available at the Tribunal Convened Meeting.

14. **Instructions for Secured Creditors for e-Voting during the Tribunal Convened Meeting are as under:**

a. Secured Creditors may follow the same procedure for e-Voting during the Tribunal Convened Meeting as mentioned above for remote E-Voting.

b. Only those Secured Creditors, who will be present in the Tribunal Convened Meeting through VC/OAVM Facility and have not cast their vote on the Resolutions through remote E-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system in the Tribunal Convened Meeting.

c. The Secured Creditors who have cast their vote by remote E-Voting prior to the Tribunal Convened Meeting may also participate in the Tribunal Convened Meeting through VC/OAVM Facility but shall not be entitled to cast their vote again.

d. The Helpline details of the person who may be contacted by the Secured Creditors needing assistance with the use of technology, before or during the Tribunal Convened Meeting shall be the same persons mentioned for remote e-Voting and reproduced hereunder:

Mr. Amit Vishal, Senior Manager / Ms. Pallavi Mhatre, Manager, NSDL, Trade World, “A” Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at telephone no. 022 – 24994360 / 022 – 24994545 or toll free no. 11800 1020 990 / 1800 22 44 30 or at E-mail ID : evoting@nsdl.co.in. Secured Creditors may also write to the Company Secretary at the email address: tanvi.panday@kkalpana.co.in.

15. The Hon’ble Tribunal has appointed Mr. Deepak Pandey, Chartered Accountant as the Scrutinizer to scrutinize the voting process, both through remote E-Voting and E-Voting at the Tribunal Convened Meeting. The Scrutinizer will submit its report to the Chairperson of the Tribunal Convened Meeting after completion of the scrutiny of the votes cast by the Secured Creditors of the Demerged Company, in a fair and transparent manner. The Scrutinizer’s decision on the validity of the vote(s) shall be final.

16. During the Tribunal Convened Meeting, the Chairman of the Tribunal Convened Meeting shall, after response to the questions raised by the Secured Creditors in advance or as a speaker at the Tribunal Convened Meeting, formally propose to the Secured Creditors participating through VC/OAVM Facility to vote on the resolution as set out in this Notice and announce the start of the casting of vote through the E-Voting system. After the Secured Creditors participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the E-Voting will be closed with the formal announcement of closure of the Tribunal Convened Meeting.

17. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Demerged Company at www.kkalpanagroup.com and on the website of NSDL at www.evoting.nsdl.com after the declaration of Results by the Chairman of the Tribunal Convened Meeting or a person authorized by him/her. The results shall also be communicated to the stock exchanges, where the shares of the Demerged Company are listed.

18. Pursuant to the MCA Circulars and SEBI Circulars, in view of the prevailing situation, the Notice of the Tribunal Convened Meeting, *inter alia*, indicating the process and manner of voting through electronic means along with the relevant documents, are being sent only by

email to the Secured Creditors. Therefore, those Secured Creditors, whose email address is not registered with the Demerged Company, and who wish to receive the Notice of the Tribunal Convened Meeting and the relevant documents and all other communication sent by the Demerged Company, from time to time, can get their email address registered by sending a scan copy of a signed request letter mentioning your name, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document supporting the registered address of the Secured Creditor, by email to the Demerged Company's email address: tanvi.panday@kkalpana.co.in

19. Since the Tribunal Convened Meeting will be held through Video Conferencing or Other Audio-Visual Means, route map to the venue of the Tribunal Convened Meeting and admission slip is not attached to this Notice.

Kkalpana Industries (India) Limited

Before the National Company Law Tribunal,

Kolkata Bench at Kolkata

C.A. (C.A.A.) No 106/KB/2021

In the matter of:

Companies Act, 2013

And

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... Resulting Company

And

Kkalpana Industries (India) Limited & Anr.

... Applicants

<u>Notice of meeting of Secured Creditors of Kkalpana Industries (India) Limited</u>

Fox & Mandal,

Advocates,

12, Old Post Office Street,

Kolkata.

Regd Office : 2B, Pretoria Street, Kolkata - 700 071
Tel. : +91.33-2282 3744/45/3671/99, Fax : +9133-2282 3739, E-mail : kolkata@kkkpana.co.in
Mumbai Office : 106, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053, India
Tel.: +91-22-67021470/71/72, Fax : +91-22-6702 1473 E-mail : mumbai@kkalpana.co.in
www.kkalpanagroup.com
CIN: L19202WB1985PLC039431

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Kkalpana Industries (India) Limited

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

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2. **DDEV PLASTIKS INDUSTRIES LIMITED**

... **APPLICANTS**

EXPLANATORY STATEMENT UNDER SECTION 102 AND SECTION 230(3) OF THE COMPANIES ACT, 2013 ("ACT") READ WITH RULE 6(3) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 ("CAA Rules") TO THE NOTICE OF THE MEETING OF SECURED CREDITORS OF KKALPANA INDUSTRIES (INDIA) LIMITED, CONVENED PURSUANT TO ORDER DATED 14TH JUNE, 2021 PASSED BY HON'BLE NATIONAL COMPANY LAW TRIBUNAL, KOLKATA BENCH

1. Pursuant to the Order dated 14th June, 2021, passed by the Hon'ble National Company Law Tribunal, Kolkata Bench (hereinafter referred to as "NCLT" / "Hon'ble Tribunal") in Company Application being C.A. (C.A.A.) No. 106/KB/2021 filed by Kkalpana Industries (India) Limited, (hereinafter referred to as the "Demerged Company") and Ddev Plastiks Industries Limited (hereinafter referred to as the "Resulting Company"), a meeting of the Secured Creditors of the Demerged Company ("Tribunal Convened Meeting") is being convened on Thursday, 29th July, 2021, at 2:00 PM (IST) through Video Conferencing

("VC")/ Other Audio Visual Means ("OAVM") without the physical presence of the Secured Creditors at a common venue, as per applicable procedure (with requisite modifications as may be required) mentioned in the General Circular No. 14/2020 dated 8th April, 2020 read with General Circular No. 17/2020 dated 13th April, 2020, General Circular No.22/2020 dated 15 June 2020, General Circular No. 33/2020 dated 28th September, 2020, General Circular No. 39/2020 dated 31st December, 2020 and General Circular No.10/2021 dated 23rd June, 2021 issued by the Ministry of Corporate Affairs, Government of India (hereinafter referred to as "MCA Circulars") and Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 (hereinafter referred to as "SEBI Circulars")., for the purpose of considering the arrangement embodied in the Scheme of Arrangement between Demerged Company and Resulting Company and their respective shareholders and creditors (hereinafter referred to as the "Scheme"). A copy of the Scheme setting out details of parties involved in the Scheme, appointed date, effective date, and other details is enclosed herewith and forms a part of the Notice.

2. The Hon'ble Tribunal has appointed CS Deepak Kumar Khaitan, Practising Company Secretary, as Chairperson of the aforesaid Tribunal Convened Meeting. Further, the Tribunal has also appointed Mr. Deepak Pandey, Chartered Accountant, as the Scrutinizer for the Tribunal Convened Meeting. The Scheme, if approved in the Tribunal Convened Meeting, will be subject to the subsequent approval of the Tribunal.

3. The draft Scheme was approved by the Board of Directors of the Demerged Company and the Resulting Company at their respective meetings, both held on 11th December 2020. In accordance with the provisions of Securities and Exchange Board of India ("SEBI") Circular bearing no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the Audit Committee of the Demerged Company vide a resolution passed on 11th December, 2020 recommended the Scheme of Arrangement to the Board of Directors of the Demerged Company, The Board of Directors of the Demerged Company at its meeting held on December 11, 2020, approved the Scheme of Arrangement, inter alia, based on such recommendation of the Audit Committee.

4. **List of the Companies/Parties involved in the Scheme:**

   a) Kkalpana Industries (India) Limited (Demerged Company)

   b) Ddev Plastiks Industries Limited (Resulting Company)

5. **Details of the Companies/Parties to the Scheme:**

   A. KKALPANA INDUSTRIES (INDIA) LIMITED

   a) Demerged Company, having its registered office at 2B, Pretoria Street, Kolkata – 700 071, West Bengal and Corporate Identity Number ("CIN") L19202WB1985PLC039431, was originally incorporated as a company limited by shares on 3rd September, 1985 in the state of West Bengal under the provisions of the Companies Act, 1956. It is a listed public limited 'company' within the meaning of the Companies Act, 2013. The shares of Demerged Company are listed on BSE Limited ("BSE") and the Calcutta Stock Exchange Limited ("CSE"). Permanent Account Number ("PAN') of the Demerged Company is AABCK2239D. Email address of the Demerged Company is kolkata@kkalpana.co.in.

   b) The main objects of the Demerged Company are set out in the Memorandum of Association which are as under:

"1. To carry on the business of Manufacturers, Fabricators, Processors, Stockists, Importers, Exporters, Distributors, Moulders, Agents, Contractors, Whole-sellers, Retailers, Dealer and Stores of:

a) Plastic, PVC, Synthetic raw materials and such other powder of all description and its products including Polystyrene, Nylon, Bakelite, Cellulose, Acetate High Impact Polystyrene, Polyvinyl Chloride Compound, U.F. Ute rate, Urea, Carbon black Polyprelene Styrene, Acrylo Nitrite (SAN), Poly carbonate (PC) Polyethylene fabrics, Plastisizers, Polymers, resin and articles of all description for industrial, Commercial, Agricultural and domestic purposes of composition of synthetics, plastic P.V.C and other such raw-materials and its products.

b) Rubber and rubber products and moulding whether extruded, injected or pressed, plastic compound, rubber compound, colours, and dyes, organic and inorganic chemicals electrochemical, synthetic materials, petroleum, bye-products and their products for industrial, domestic and commercial purposes."

2. To carry on business of manufacturers, processors, assemblers, traders, dealers, wholesalers, retailers, distributors, stockists, buyers, sellers, representatives, exporters, importers, agents, merchants in all kinds of imitation, jar goods, metallic yarns, laces, ribbons, borders, buttons, tapes, woven tapes, woven lavels, patches, motives, knitting fabrics, garment accessories, embroidery materials, dress materials, cotton mesh, elastics, fancy paper and cloth bronze power etc."

c) The Demerged Company has not changed its name, registered office, and objects during the last five years.

d) The authorised, issued, subscribed and paid-up share capital of the Demerged Company as on 31st December, 2020 is as set out below:

Particulars	Amount (INR)
Authorized Equity Share Capital 153,000,000 Equity Shares of INR 2/- each	306,000,000
Issued, Subscribed and Paid-up Equity Share Capital 94,072,930 Equity Shares of INR 2/- each	188,145,860
There has been no change in the Authorized, Issued, Subscribed and Paid-Up Share Capital of the Demerged Company after 31st December, 2020.	

e) The details of the promoters and present directors of the Demerged Company along with their addresses are as follows:

i. Promoters

Sl. No.	Name of Promoters	Address	No. of Shares held	% of shareholding
1.	Surendra Kumar Surana	227/2, AJC Bose Road, Kolkata – 700 020	3,505	0.00%
2.	Narrindra Suranna	Divine Grace Apartment, 33,	1,000	0.00%

Sl. No.	Name of Promoters	Address	No. of Shares held	% of shareholding
		Shakespeare Sarani, Circus Avenue, Kolkata – 700 017		
3.	Dev Krishna Surana	Divine Grace Apartment, 33, Shakespeare Sarani, Circus Avenue, Kolkata – 700 017	683,850	0.73%
4.	Tara Devi Surana	227/2, AJC Bose Road, Kolkata – 700 020	75,505	0.08%
5.	Bbigplas Poly Private Limited	2B, Pretoria Street, Kolkata – 700 071	69,641,685	74.03%

ii. **Directors**

Sl. No.	Name of Directors	Address
1.	Narrindra Suranna	Divine Grace Apartment, 33, Shakespeare Sarani, Circus Avenue, Kolkata – 700 017
2.	Mamta Binani	Sun City Complex, Flat C- 203, 105/1 Bidhannagar Road, Near Bidhannagar Railway Station, Ultadanga, Main R, Kolkata – 700 067
3.	Rajesh Kumar Kothari	Flat No. A-301, B-1, Devadig CHS Ltd., Sahar Pipe Line,Om Nagar, Andheri (E), Mumbai – 400 099
4.	Ramya Hariharan	02nd Floor, 39, Sardar Sankar Road, Sarat Bose Road, Kolkata – 700029
5.	Samir Kumar Dutta	13/2, Balak Dutta Lane, Kolkata – 700007
6.	Dev Krishna Surana	Divine Grace Apartment, 33, Shakespeare Sarani, Circus Avenue, Kolkata – 700 017

f) The amount due to unsecured creditors as on 31st December, 2020 is INR 2,639,989,922/- and a Tribunal Convened Meeting of unsecured creditors would be held on Thursday, 29th July, 2021, at 4:00 PM (IST) through VC / OAVM without the physical presence of the Unsecured Creditors at a common venue.

a) The amount due to secured creditors as on 31st December, 2020 is

INR 1,010,154,834/-.

b) Further a Tribunal Convened Meeting of equity shareholders would be held on Thursday, 29th July, 2021, at 11:30 AM (IST) through VC / OAVM without the physical presence of the shareholders at a common venue.

B. DDEV PLASTIKS INDUSTRIES LIMITED

a) Resulting Company, an unlisted public limited 'company' within the meaning of the Companies Act, 2013, was incorporated on 7th December, 2020 in the state of West Bengal under the provisions of the Companies Act, 2013, having its registered office at 2B, Pretoria Street, Kolkata – 700 071, West Bengal and having CIN U24290WB2020PLC241791. Resulting Company is not a listed company and the PAN of the Resulting Company is AAICD1853B. Email address of the Resulting Company is ddevplastiksindustriesltd@gmail.com.

b) The main objects of the Resulting Company are set out in the Memorandum of Association which are asunder:

"1. To carry on the business of Manufacturers, Fabricators, Processors, Stockists, Importers, Exporters, Distributors, Moulders, Agents, Contractors, Whole-sellers, Retailers, Dealer and Stores of:

a) Plastic, PVC, Synthetic raw materials and such other powder of all description and its products including Polystyrene, Nylon, Bakelite, Cellulose, Acetate High Impact Polystyrene, Polyvinyl Chloride Compound, U.F. Ute rate, Urea, Carbon black Polyprelene Styrene, Acrylo Nitrite (SAN), Poly carbonate (PC) Polyethylene fabrics, Plastisizers, Polymers, resin and articles of all description for industrial, Commercial, Agricultural and domestic purposes of composition of synthetics, plastic P.V.C and other such raw-materials and its products.

b) Rubber and rubber products and moulding whether extruded, injected or pressed, plastic compound, rubber compound, colours, and dyes, organic and inorganic chemicals electrochemical, synthetic materials, petroleum, bye-products and their products for industrial, domestic and commercial purposes.

2. To carry on business of manufacturers, processors, assemblers, traders, dealers, wholesalers, retailers, distributors, stockists, buyers, sellers, representatives, exporters, importers, agents, merchants in all kinds of imitation, jar goods, metallic yarns, laces, ribbons, borders, buttons, tapes, woven tapes, woven lavels, patches, motives, knitting fabrics, garment accessories, embroidery materials, dress materials, cotton mesh, elastics, fancy paper and cloth bronze power etc."

c) The Resulting Company has not changed its name, registered office and objects since incorporation.

d) The authorised, issued, subscribed and paid-up share capital of the Resulting Company as on 9th December, 2020 is as under:

Particulars	Amount (INR)
Authorized Equity Share Capital 150,000 Equity Shares of INR 10/- each	1,500,000
Issued, Subscribed and Paid-up Equity Share Capital	

10,000 Equity Shares of INR 10/- each	100,000
The entire issued, subscribed and paid up equity share capital of the Resulting Company has been subscribed by the Demerged Company and its nominees and presently the Resulting Company is a wholly owned subsidiary of the Demerged Company. There has been no change in the Authorized, Issued, Subscribed and Paid-Up Share Capital of the Resulting Company since 9th December 2020.	

e) The details of the promoters and present directors of the Resulting Company along with their addresses are as follows:

i. **Promoters**

Sl. No.	Name of Promoters	Address	No. of Shares held	% of shareholding
1.	Kkalpana Industries (India) Limited (Demerged Company)	2B, Pretoria Street, Kolkata – 700 071	10,000*	100%

** Please note that 6 equity shares of Ddev Plastiks Industries Limited (Resulting Company) are held by 6 nominees of Kkalpana Industries (India) Limited (Demerged Company) as registered equity shareholder for which Kkalpana Industries (India) Limited (Demerged Company) is the beneficial holder.*

ii. **Directors**

Sl. No.	Name of Directors	Address
1.	Surendra Kumar Surana	227/2, AJC Bose Road, Kolkata – 700 020
2.	Rajesh Kumar Kothari	Flat No. A-301, B-1, Devadig CHS Ltd., Sahar Pipe Line,Om Nagar, Andheri (E), Mumbai – 400 099
3.	Dev Krishna Surana	Divine Grace Apartment, 33, Shakespeare Sarani, Circus Avenue, Kolkata – 700 017

f) Amounts due to secured and unsecured creditors as on 9th December 2020: Nil

6. **Relationship subsisting between the companies who are parties to the Scheme of Arrangement**

The Resulting Company is the Wholly-owned Subsidiary of the Demerged Company.

7. **Details of the Board meeting at which the Scheme was approved by the Board of Directors of the Applicant Companies including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution**

All the Directors of the Demerged Company and the Resulting Company had attended the respective Board Meetings held on 11th December, 2020 and had unanimously approved the Scheme:

For Demerged Company		
Sl. No.	**Name of Directors**	**Vote**
1.	Narrindra Suranna	In favour
2.	Mamta Binani	In favour
3.	Rajesh Kumar Kothari	In favour
4.	Ramya Hariharan	In favour
5.	Samir Kumar Dutta	In favour
6.	Dev Krishna Surana	In favour

For Resulting Company		
Sl. No.	**Name of Directors**	**Vote**
1.	Surendra Kumar Surana	In favour
2.	Rajesh Kumar Kothari	In favour
3.	Dev Krishna Surana	In favour

8. **Rationale and Benefits of the Scheme**

The Demerged Company is engaged in the business of manufacturing plastic compounds and owns the following two business undertakings:

- Compounding Business Undertaking; and
- Reprocessing Business Undertaking

The Demerged Company would demerge its 'Compounding Business Undertaking' (hereinafter referred to as the 'Demerged Undertaking') to the Resulting Company and it would continue to run and operate the 'Reprocessing Business Undertaking' (hereinafter referred to as the 'Remaining Undertaking'). The underlying business rationale and objectives are as follows:

i. The Demerged Company and the Remaining Undertaking have their own set of strengths and dynamics in the form of nature of risks, competition, challenges, opportunities, and business methods, leading to different growth potentials. Hence, segregation of the two undertakings would enable a focused management to explore the potential business opportunities effectively and efficiently.

ii. The demerger would result in achieving efficiency in operational processes by designing and implementing independent strategies specifically designed for the two businesses and in optimizing profitability. This would in turn enhance the shareholders' wealth.

iii. Targeting and attracting new investors with specific focus and expertise in the two businesses, thereby providing the necessary funding impetus to the long-term growth strategy of the two businesses.

iv. The Compounding Business Undertaking of the Demerged Company is an old and diverse undertaking, that caters to a range of sectors viz., housing wiring, high voltage cables, packaging, white goods, automotive, footwear, to name a few. The Compounding Business Undertaking has proved its significant resistance to market volatility over the years and therefore, on a standalone basis, it has scope for enhanced valuation and entry of strategic domestic / international players by way of technological tie-ups / direct acquisition of stake in the business. Hence, demerger of the Compounding Business Undertaking would help in targeting and attracting new investors with specific focus and expertise in the business, thereby providing the necessary funding impetus to the long-term growth strategy of the businesses.

v. The remaining Undertaking of the Demerged Company, inter alia, comprises of a Reprocessing Business Unit located in Falta, West Bengal, and it holds a license for reprocessing of plastic waste which has restriction on transferability. A similar license is also held in a Dubai based wholly owned subsidiary ['WOS'] of the Demerged Company. Since ultimate ownership of such licenses relating to the Remaining Undertaking rests with the Demerged Company, the Reprocessing Business Undertaking along with its corresponding licenses as aforesaid, would be continued to be retained by the Demerged Company.

vi. Further, given the recent international trends and demand for recycling of plastics (recognized as upcycling across the world), the Reprocessing Business Undertaking has significant long-term growth prospects. Moreover, growth potential of the Reprocessing Business Undertaking is substantially high. Hence, demerger of the Compounding Business Undertaking would also enhance the standalone valuation for Reprocessing Business Undertaking. Such higher growth and valuation potentials would be attractive to specific set of strategic domestic / international players who would look to target direct acquisition of stake in the business. The transfer and vesting of the Demerged Undertaking to the Resulting Company will enable better focus and management of the Demerged Undertaking and the Remaining Undertaking.

vii. The Reprocessing Business Undertaking is a debt free unit and has significantly lower working capital requirement as compared to the Compounding Business Undertaking. Hence, demerger of the Compounding Business Undertaking would help in independently managing the different funding requirements of the two business, both in terms of type of funds and amount of infusion required for the businesses.

viii. As part of expansion plans for Reprocessing Business Undertaking, the Demerged Company intends to explore chemical recycling and other recycling activities, which are also expected to attract strategic domestic and international investors.

Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE. Therefore, the existing shareholders of the Demerged Company would hold the shares of two listed entities after the Scheme becoming effective. Such shareholders would then be able to choose whether they want to remain invested in either or both the businesses/ operations of the Demerged Company, giving them flexibility in managing their investment in the two businesses having differential dynamics.

In view of the aforesaid, the Board of Directors of the Demerged Company and the Resulting Company believe that the Scheme is in the best interests of the respective entities and their respective stakeholders including its minority shareholders for the reasons aforesaid.

9. **Salient features/ details/ extract of the Scheme**

The Scheme is presented for demerger and vesting of the Demerged Undertaking of the Demerged Company, as a going concern to the Resulting Company pursuant to provisions of

Section 230 to 232 and other applicable provisions of the Act, and rules made thereunder and also read with Section 2(19AA), Section (19AAA), Section 2(41A) and other applicable provisions of Income-tax Act, 1961.

Further, the Scheme also provides for reduction and cancellation of equity shares of the Resulting Company held by the Demerged Company and its nominees (without payment of consideration), in terms of section 66 of the Act.

Additionally, this Scheme also provides for various other matters consequential or otherwise integrally connected with the above.

Note: The above are the salient features of the Scheme. The Secured Creditors are requested to read the entire text of the Scheme annexed hereto as Annexure 2, to get fully acquainted with the provisions thereof.

10. **Appointed Date and Effective date of the Scheme**

a) Appointed Date shall mean 1st April, 2021, or such other date as may be as may be fixed by the Hon'ble NCLT, while sanctioning the Scheme.

b) Effective date means the later of the dates on which certified true copy of the order of the Hon'ble NCLT sanctioning the Scheme are filed with the Registrar of Companies, West Bengal by the Demerged Company and the Resulting Company.

11. **Consideration**

Upon coming into effect of the Scheme and in consideration of transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application, act, instrument or deed and without any further payment, issue and allot equity shares to those equity shareholders of the Demerged Company whose names appear in the register of members of the Demerged Company as on the Record Date or to his/ her heirs, executors, administrators or the successors-in-title, as the case may be, in the following manner:

"1(one) fully paid up equity shares of INR 1/- each of the Resulting Company, for every l(one) fully paid up equity shares of INR 2/- each in the De merged Company."

The equity shares of the Resulting Company shall be issued in such a manner that the percentage of shareholding of the equity shareholders of the Demerged Company in the Resulting Company, after giving effect to reduction and cancellation of equity shares of the Resulting Company held by the Demerged Company and its nominees, is exactly same or mirror as their inter-se shareholding in the Demerged Company.

Further, the Resulting Company shall apply to the BSE for listing and admission to trading, of all the equity shares issued under this Scheme, in terms of the provisions of SEBI master circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020.

12. **Accounting Treatment**

a) Accounting treatment in the books of the Demerged Company

The Demerged Company shall account for demerger of Demerged Undertaking, in its books as per the applicable accounting principles prescribed under the relevant Ind-AS. It shall *inter alia* include the following:

- The Demerged Company shall in its books of accounts, reduce the respective carrying values of the assets and liabilities of the Demerged Undertaking being transferred to and vested in the Resulting Company at values appearing in Books of Accounts of the Demerged Company as on the Appointed Date.

- The aggregate of the net assets (i.e., difference between the carrying value of assets and liabilities related to Demerged Undertaking) standing in the books of accounts of the Demerged Company, transferred to the Resulting Company on the Appointed Date, shall be first adjusted against the balance in Capital Reserve, and thereafter against the balances in Securities Premium Reserve, General Reserve and Retained Earnings in the same order.
- The reduction in Capital Reserve and Securities Premium of the Demerged Company shall be effected, as an integral part of this Scheme in accordance with the provisions of Section 52 and Section 66 of the Act and the order of the Hon'ble NCLT sanctioning this Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction.
- The investment of Demerged Company into the equity shares capital of the Resulting Company either itself or through its nominees, as on the effective date, if any, shall stand reduced and cancelled in accordance with Part C of the Scheme and shall be adjusted against the retained earnings in accordance with prescribed Ind-AS.

b) <u>Accounting treatment in the books of the Resulting Company</u>

The Resulting Company shall account for the demerger of Demerged Undertaking, using pooling of interest method in accordance with Appendix C 'Business Combinations of entities under common control' of Ind-AS 103 - 'Business Combinations'. It shall *inter alia* include the following:

- The Resulting Company shall record all the assets and liabilities of the Demerged Undertaking transferred to it in pursuance of this Scheme at their respective carrying values appearing in the books of accounts of the Demerged Company as on the Appointed Date, which are set forth in the closing balance sheet of the Demerged Company as of the close of business hours on the date immediately preceding the Appointed Date.
- The Resulting Company shall credit its share capital account, with the aggregate face value of the new equity shares issued to the shareholders of the Demerged Company pursuant to demerger of Demerged Undertaking.
- To the extent there are inter-company balance(s) and transaction(s) between the Resulting Company and the Demerged Undertaking, if any, the rights, and obligations in respect thereof will stand cancelled.
- The difference between the book value of assets and book value of liabilities so recorded in the books of Resulting Company in accordance with clause 17.2.1 as reduced by the amount credited as share capital in accordance with clause 17.2.2, shall be recorded against the following reserve (in the proportion in which the said Reserves shall be adjusted in the books of Demerged Company in accordance with clause 17.1.2 above) viz. Capital Reserve, and thereafter against the balances in Securities Premium Reserve, General Reserve and Retained Earnings in the same order.
- In case of any differences in accounting policy followed by the Demerged Company in respect of Demerged Undertaking vis-a-vis the accounting policy followed by the Resulting Company, the impact of the same till the Appointed Date will be quantified

and adjusted in Reserves of the Resulting Company, to ensure that upon coming into effect of this Scheme, the financial statements of the Resulting Company reflect the financial position on the basis of a consistent accounting policy.

c) Accounting for capital reduction

- The cancellation of the shares held by the Demerged Company and its nominees in the Resulting Company is to be appropriately adjusted with share capital/ share premium of the Resulting Company (pursuant to the provisions of the section 230 to 232 read with section 52 and section 66 and other applicable provisions, if any, of the Act.)
- On the Effective Date, the Resulting Company shall debit its share capital account in its books of accounts with the aggregate face value of such cancelled shares.
- The capital reserve in the books of the Resulting Company shall be increased to the extent to the amount of such cancelled shares.

13. **Valuation report and Fairness opinion**

The valuation of the shares of the Applicant Companies based on which the share entitlement ratio has been arrived at, after careful consideration and after taking into account all relevant facts, has been carried out and approved by Mr. Abhinav Agarwal, a registered valuer having registration No. IBBI/RV/06/2019/12564. The following share entitlement ration has been approved *vide* the aforesaid valuation report:

"1(one) fully paid up equity shares of INR 1/- each of the Resulting Company, for every l(one) fully paid up equity shares of INR 2/- each in the De merged Company."

Inter alia, the said valuation report states that:

"I believe that the abovementioned share entitlement ratio is fair and reasonable considering that all the shareholders of the Demerged Company are and will , upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio as they hold shares in the Demerged Company, as on record date to be decided by the management of the Demerged Company"

A copy of the valuation report is appended herewith to the Notice as **Annexure 3**.

Further, Sundae Capital Advisors Private Limited, a SEBI Registered Category-I Merchant Banker, in its fairness opinion dated 9th December 2020, have provided an opinion that the aforesaid share entitlement ratio is fair and reasonable to the equity shareholders of the Demerged Company. The said fairness opinion *inter alia* states that:

"Based on the information, data made available to us, including the Share Entitlement Report of Mr. Abhinav Agarwal, Registered Valuer, to the best of our knowledge and belief, the entitlement ratio arrived at by Mr. Abhinav Agarwal, Registered Valuer under the Draft Scheme of Arrangement, in our opinion, is fair considering that all the shareholders of the Demerged Company are and will upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio (inter se) as they hold shares in the Demerged Company, as on record date to be decided by the Management of the Demerged Company."

A copy of the fairness opinion is appended herewith to the Notice as **Annexure 4**.

14. **Capital / Debt Restructuring**

The Scheme does not envisage any debt restructuring. The pre-scheme and expected post-scheme shareholding pattern of the Demerged Company and the Resulting Company are

Kkalpana

Kkalpana Industries (India) Limited

provided hereunder:

- **Pre-scheme shareholding pattern of Demerged Company**

Sl. No.	Category of shareholder	No. of shares held	Percentage of shares held as percentage of total capital (%)
(A)	**Promoter and promoter group**		
(1)	**Indian**		
(a)	Individuals/ Hindu Undivided Family	763,860	0.81
(b)	Body Corporate	69,641,685	74.03
	Sub-Total (A)(1)	**70,405,545**	**74.84**
(2)	**Foreign**	**-**	**-**
	Sub-Total (A)(2)	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**70,405,545**	**74.84**
(B)	**Public shareholding**		
(1)	**Institutions**	**-**	**-**
	Sub-Total (B)(1)	**-**	**-**
(2)	**Non-Institutions**		
(a)	Bodies Corporate	13,211,347	14.04
(b)	Individuals		
	i. Individual shareholders holding nominal share capital up to INR 2 lakh	5,459,819	5.81
	ii. Individual shareholders holding nominal share capital in excess of INR 2 lakh	3,086,278	3.28
(d)	Any other (specify)		
	i. Clearing members	33,221	0.04
	ii. Non-resident Indians	208,875	0.22
	iii. Limited Liability Partnership	21,517	0.02
	iv. Hindu Undivided Family	195,640	0.21
	v. IEPF A/c	1,450,688	1.54
	Sub-Total (B)(2)	**23,667,385**	**25.16**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**23,667,385**	**25.16**
	TOTAL (A) + (B)	**94,072,930**	**100.00**

Sl. No.	Category of shareholder	No. of shares held	Percentage of shares held as percentage of total capital (%)
(C)	**Shares held by custodians against which DRs are issued**	-	-
	TOTAL (A) + (B) + (C)	**94,072,930**	**100.00**

- **Expected post-scheme shareholding pattern of Demerged Company**

  The shareholding pattern of the Demerged Company would not change as a consequence of the implementation of the Scheme and would remain identical as the pre-scheme shareholding pattern.

- **Pre-scheme shareholding pattern of Resulting Company**

Sl. No.	Category of shareholder	No. of shares held	Percentage of shares held as percentage of total capital (%)
(A)	**Promoter and promoter group**		
(1)	**Indian**		
(a)	Individuals/ Hindu Undivided Family	6*	0.06
(b)	Body Corporate	9,994	99.94
	Sub-Total (A)(1)	**10,000**	**100.00**
(2)	**Foreign**	-	-
	Sub-Total (A)(2)	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**10,000**	**100.00**
(B)	**Public shareholding**	-	-
	TOTAL (A) + (B)	**10,000**	**100.00**
(C)	**Shares held by custodians against which DRs are issued**	-	-
	TOTAL (A) + (B) + (C)	**10,000**	**100.00**

** Nominees of Demerged Company, the 100% holding company of the Resulting Company*

Kkalpana

Kkalpana Industries (India) Limited

- **Expected post-scheme shareholding pattern of Resulting Company**

Sl. No.	Category of shareholder	No. of shares held	Percentage of shares held as percentage of total capital (%)
(A)	**Promoter and promoter group**		
(1)	**Indian**		
(a)	Individuals/ Hindu Undivided Family	763,860	0.81
(b)	Body Corporate	69,641,685	74.03
	Sub-Total (A)(1)	**70,405,545**	**74.84**
(2)	**Foreign**	**-**	**-**
	Sub-Total (A)(2)	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**70,405,545**	**74.84**
(B)	**Public shareholding**		
(1)	**Institutions**	**-**	**-**
	Sub-Total (B)(1)	**-**	**-**
(2)	**Non-Institutions**		
(a)	Bodies Corporate	13,211,347	14.04
(b)	Individuals		
	i. Individual shareholders holding nominal share capital up to INR 2 lakh	5,459,819	5.81
	ii. Individual shareholders holding nominal share capital in excess of INR 2 lakh	3,086,278	3.28
(d)	Any other (specify)		
	i. Clearing members	33,221	0.04
	ii. Non-resident Indians	208,875	0.22
	iii. Limited Liability Partnership	21,517	0.02
	iv. Hindu Undivided Family	195,640	0.21
	v. IEPF A/c	1,450,688	1.54
	Sub-Total (B)(2)	**23,667,385**	**25.16**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**23,667,385**	**25.16**
	TOTAL (A) + (B)	**94,072,930**	**100.00**
(C)	**Shares held by custodians against which DRs are issued**	**-**	**-**

Sl. No.	Category of shareholder	No. of shares held	Percentage of shares held as percentage of total capital (%)
	TOTAL (A) + (B) + (C)	**94,072,930**	**100.00**

15. **Effect of the Scheme of Arrangement**

   a) On directors, key managerial personnel ("KMP"), and their relatives

   - For the Demerged Company

     ➢ The Directors and KMPs of the Demerged Company, and their relatives, do not have any concern or interest, financially or otherwise, in the Scheme except as shareholders in general. Therefore, the Scheme will have no effect on them, except to the extent of their respective shareholding and effect thereon as explained in point (b) below.

   - For the Resulting Company

     ➢ The Resulting Company does not have any KMPs (other than Directors) as on present date. Further, the Resulting Company would be changing / would be appointing new KMP's / Directors in pursuance of the Scheme becoming effective in order to comply with the requirements of the relevant provisions of various applicable acts, rules, regulations and guidelines, applicable for listed companies.

   b) On promoter and non-promoter members

   - For the Demerged Company

     ➢ There is only one class of shareholders, i.e., equity shareholders, which includes the promoter as well as non-promoter shareholders of the Demerged Company.

     ➢ On demerger, the Resulting Company will issue and allot equity shares to each member of the Demerged Company, whose name is recorded in the register of members on the Record Date, as per the share entitlement ratio mentioned in the Scheme.

     ➢ The equity shares so issued and allotted as provided above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank pari-passu in all respects with the equity shares of the Resulting Company after the Effective Date (as defined in the Scheme) including in respect of dividend, if any, that may be declared by the Demerged Company on or after the Effective Date.

     ➢ There would be no dilution or increase in the shareholding of the promoter or non-promoter shareholders of the Demerged Company.

     ➢ In terms of the Scheme, consequent upon demerger, on the Record Date, the set of shareholders and their holding proportion being proposed in the Resulting Company, is identical to that of the Demerged Company, and thus, the overall economic interest of equity shareholders of the Demerged Company shall remain the same.

- For the Resulting Company
  - There is only one class of shareholders. i.e. equity shareholders of the Resulting Company.
  - The entire equity share capital of the Resulting Company is held by the Demerged Company (Promoter) and its nominees. The Resulting Company does not have any non-promoter shareholders.
  - Upon the Scheme becoming effective, the existing equity shares of the Resulting Company, held by the Demerged Company along with its nominees shall stand cancelled, extinguished and annulled as provided in the Scheme. Accordingly, the existing shareholders would no longer hold any shares in the Resulting Company.
  - On demerger, the Resulting Company will issue and allot equity shares to each member of the Demerged Company, whose name is recorded in the register of members of the Demerged Company on the Record Date, as per the share entitlement ratio mentioned in the Scheme.
  - In terms of the Scheme, consequent upon demerger, on the Record Date, the set of shareholders and their holding proportion being proposed in the Resulting Company, is identical to that of the Demerged Company, and thus, the overall economic interest of equity shareholders of the Demerged Company shall remain the same.

c) On creditors

- For the Demerged Company
  - Under the Scheme, there is no arrangement or compromise offered to the creditors (secured and unsecured) of the Demerged Company. Liabilities of any of the creditors of the Demerged Company would neither be reduced nor be extinguished in pursuance of the Scheme.
- For the Resulting Company
  - The Resulting Company does not have any creditors (secured and unsecured)

d) On employees

All officers and employees of the Demerged Company, engaged in the Demerged Undertaking, as identified by the Demerged Company and in employment on the Effective Date, shall become the officers and employees of the Resulting Company on such date as if they were in continuous service without any break or interruption in service and on same terms and conditions as to remuneration, subsisting with reference to the Demerged Company, as on the said date. All funds and benefits accumulated in respect of the above officers and employees shall also be transferred to the Resulting Company.

e) The Demerged Company and the Resulting Company have not accepted any deposits and have not issued any debentures.

Further, the report adopted by their respective Board of Directors of the of the Demerged Company and the Resulting Company, explaining the impact on various stakeholders as mentioned above is annexed hereto with the Notice as ***Annexure 8*** and ***Annexure 9*** respectively.

16. No investigation proceedings have been instituted or are pending in relation to the Applicant Companies under the Companies Act, 2013 or Companies Act, 1956.

17. **Details of approvals, sanctions, or no-objection(s) from regulatory or any other governmental authorities required, received, or pending**:

    The Demerged Company being a listed company, has received observation letters from BSE on 1st April 2021 and from CSE on 8th April, 2021, stating that SEBI and the stock exchanges doe do not have any adverse observations with regard to the Scheme. Copy of the aforesaid observation letters are appended herewith to the Notice as **Annexure 10**.

    In compliance with the requirement of Section 230(5) and Section 232 of the Act, read with Rule 8 of the CAA Rules, notice in the prescribed form together with requisite documents and disclosures shall be served on the relevant regulators, as directed by the Hon'ble NCLT, and seeking their approvals or any representations (if any) on the Scheme.

18. No winding up proceedings are pending against the Demerged Company and the Resulting Company as on date.

19. **Disclosures pertaining to unlisted entity involved in the Scheme**

    Disclosure document comprising of applicable information pertaining to the Resulting Company, in the format prescribed for abridged prospectus as provided in part E of schedule VI of the Securities and Exchange Board of India (Issue Of Capital And Disclosure Requirements), Regulations, 2018, to the extent applicable, is appended herewith to the Notice as **Annexure 11**.

20. **Inspection of Documents**

    In addition, electronic copy of the following documents will be available for inspection in the "Investor Relations" section of the website of the Demerged Company - www.kkalpanagroup.com:

    a) Latest audited financial statements of the Demerged Company, including consolidated financial statements;

    b) Copy of the order of Hon'ble Tribunal in pursuance of which the meeting is to be convened;

    c) Copy of the Scheme of Arrangement;

    d) Copies of the Memorandum of Association and Articles of Association of the Demerged Company and the Resulting Company;

    e) Copy of the certificate dated 9th December, 2020, issued by the Auditor of the Demerged Company to the effect that the accounting treatment in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;

    f) Copy of valuation report and fairness opinion;

    g) Report of the Audit Committee of the Demerged Company recommending the Scheme;

    h) Detailed compliance report certified by the Company Secretary, Chief Financial Officer, and the Managing Director, confirming compliance with various regulatory requirements specified for schemes of arrangement and all accounting standards;

    i) Report on complaints indicating 'nil' complaints received on the Scheme.

Copies of the aforesaid documents can be obtained free of charge within 1(one) working day on requisition being so made by the Equity shareholders, secured Creditors and Unsecured Creditors of the Demerged Company at the registered office between 11:00 AM (IST) to 1:00 PM (IST) or at the office of its authorized representative between 11:00 AM (IST) to 1:00 PM (IST).

Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Demerged Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Company recommend the Scheme for approval of the shareholders.

Dated this 25th day of June, 2021

Sd/-

CS Deepak Kumar Khaitan

(Chairperson appointed by the Hon'ble National Company Law Tribunal, Kolkata Bench for the aforesaid Tribunal Convened Meeting)

Drawn by :
Sd/-

Ms. Tanvi Panday

Company Secretary

Kkalpana Industries (India) Limited

IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH
KOLKATA

CA (CAA) No. 106/KB/2021

In the matter of:

Section 230 read with section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013;

And

In the matter of:

KKALPANA INDUSTRIES (INDIA) LIMITED, [CIN: L19202WB1985PLC039431], having its registered office at 2B, Pretoria Street, Kolkata-700071, West Bengal;

… Demerged Company

And

In the matter of:

DDEV PLASTIKS INDUSTRIES LIMITED, [CIN: U24290WB2020PLC241791] having its registered office at 2B, Pretoria Street, Kolkata- 700071, West Bengal;

… Resulting Company

And

In the matter of:

1. KKALPANA INDUSTRIES (INDIA) LIMITED
2. DDEV PLASTIKS INDUSTRIES LIMITED

… **APPLICANTS**

Date of Hearing: 09/06/2021

Date of Pronouncement: 14/06/2021

Counsel appeared through video conferencing:

1. Ms. Shruti Swaika, Advocate
2. Ms. Iram Hassan, Advocate
3. Mr. Sanket Sarawgi, Advocate

Coram: Shri Rajasekhar V.K., Hon'ble Member (Judicial)
Shri H.C. Suri, Hon'ble Member (Technical)

O R D E R

Per: Harish Chander Suri, Member (Technical)

1) This instant application has been filed by the Applicant Companies, namely, Kkalpana Industries (India) Limited (**Demerged Company**) and Ddev Plastiks Industries Limited (**Resulting Company**) for orders and directions with regard to meetings of shareholders and creditors in connection with the Scheme of Arrangement between **Demerged Company** and **Resulting Company** mentioned above. The Scheme provides for demerger from the **Appointed Date**, viz., **1st April, 2021** in the manner and on the terms and conditions stated in the said Scheme of Arrangement **("Scheme")**. A copy of the said Scheme is annexed as **Annexure F** at page 364 of the application.

2) The circumstances and/or reasons and/or grounds that have necessitated and/ or justified the arrangement are stated in the said Scheme. They are *inter alia*, as follows:

(a) The Demerged Undertaking and the Remaining Undertaking have their own set of strengths and dynamics in the form of nature of risks, competition, challenges, opportunities and business methods, leading to different growth potentials. Hence, segregation of the two undertakings would enable a focused management to explore the potential business opportunities effectively and efficiently;

(b) The demerger would result in achieving efficiency in operational processes by designing and implementing independent strategies specifically designed for the two businesses and in optimizing profitability. This would in turn enhance the shareholders' wealth.

(c) Targeting and attracting new investors with specific focus and expertise in the two businesses, thereby providing the necessary funding impetus to the long-term growth strategy of the two businesses;

(d) The Compounding Business Undertaking of the **Demerged Company** is an old and diverse undertaking, that caters to a range of sectors *viz.*, housing wiring, high voltage cables, packaging, white goods, automotive, footwear, to name a few. The Compounding Business Undertaking has proved its significant resistance to market volatility over the years and therefore, on a standalone basis, it has scope for enhanced valuation and entry of strategic domestic/ international players by way of technological tie-ups/ direct acquisition of stake in the business. Hence, demerger of the Compounding Business Undertaking would help in targeting and attracting new investors with specific focus and expertise in the business, thereby providing the necessary funding impetus to the long-term growth strategy of the businesses.

(e) The remaining Undertaking of the **Demerged Company**, inter alia, comprises of a Reprocessing Business Unit located in Falta, West Bengal, and it holds a license for reprocessing of plastic waste which has restriction on transferability. A similar license is also held in a Dubai based wholly owned subsidiary ['WOS'] of the **Demerged Company**. Since ultimate ownership of such licenses relating to the Remaining Undertaking rests with the **Demerged Company**, the Reprocessing Business Undertaking along with its corresponding licenses as aforesaid, would be continued to be retained by the **Demerged Company**.

(f) Further, given the recent international trends and demand for recycling of plastics (recognized as upcycling across the world), the Reprocessing Business Undertaking has significant long-term growth prospects. Moreover, growth potential of the Reprocessing Business Undertaking is substantially high. Hence, demerger of the Compounding Business Undertaking would also enhance the standalone valuation for Reprocessing Business Undertaking. Such higher growth and valuation potentials would be attractive to specific set of strategic domestic/ international players who would look to target direct acquisition of stake in the business. The transfer and vesting of the Demerged Undertaking to the **Resulting Company** will enable better focus and management of the Demerged Undertaking and the Remaining Undertaking.

(g) The Reprocessing Business Undertaking is a debt free unit and has significantly lower working capital requirement as compared to the Compounding Business Undertaking. Hence, demerger of the Compounding Business Undertaking would help in independently managing the different funding requirements of the two business, both in terms of type of funds and amount of infusion required for the businesses.

(h) As part of expansion plans for Reprocessing Business Undertaking, the **Demerged Company** intends to explore chemical recycling and other recycling activities, which are also expected to attract strategic domestic and international investors.

(i) Pursuant to the Scheme, the equity shares issued by the **Resulting Company** would be listed on BSE. Therefore, the existing shareholders of the **Demerged Company** would hold the shares of two listed entities after the Scheme becoming effective. Such shareholders would then be able to choose whether they want to remain invested in either or both the businesses/operations of the **Demerged Company**, giving them flexibility in managing their investment in the two businesses having differential dynamics.

3) The instant application has been filed in the first stage of the proceedings under Section 230 read with Section 232 of the Companies Act, 2013 for dispensation of the meeting of the shareholders and creditors of the **Resulting Company** and for holding of the meeting of the shareholders and creditors of the **Demerged Company**.

4) It is submitted by the Ld. Counsel appearing for the Applicants that the shares of the Applicant No. 1 are listed on the BSE Limited and The Calcutta Stock Exchange Ltd. and the shares of the Applicant No. 2 are not listed.

5) The share capital of the Demerged Company as on 31st December, 2020 is as follows:

Particulars	**Amount (INR)**
Authorized Equity Share Capital 153,000,000 Equity Shares of INR 2/- each	306,000,000
Issued, Subscribed and Paid-up Equity Share Capital 94,072,930 Equity Shares of INR 2/- each	188,145,860
There has been no change in the Authorized, Issued, Subscribed and Paid-Up Share Capital of the Demerged Company after 31st December, 2020.	

6) The share capital of the Resulting Company as on 9th December, 2020 is as follows:

Particulars	Amount (INR)
Authorized Equity Share Capital 150,000 Equity Shares of INR 10/- each	1,500,000
Issued, Subscribed and Paid-up Equity Share Capital 10,000 Equity Shares of INR 10/- each	100,000
The entire issued, subscribed and paid up equity share capital of the Resulting Company has been subscribed by the Demerged Company and its nominees and presently the Resulting Company is a wholly owned subsidiary of the Demerged Company. There has been no change in the Authorized, Issued, Subscribed and Paid-Up Share Capital of the Resulting Company since 9th December 2020.	

7) Applicants submitted that the Board of Directors of the Applicant Companies have, at their respective Board Meetings by a resolution passed unanimously approved the said Scheme of Arrangement which are annexed as **Annexure - G,** at pages 399 – 408 of the application.

8) It is submitted that the shareholding pattern of the **Demerged Company** as on 31st December, 2020 filed with stock exchanges and a copy of the same as

certified by the Chartered Accountant is annexed to the application as **Annexure - H** at pages 409 - 415. List of shareholders of the Resulting Company duly certified by the Chartered Accountant is annexed as **Annexure - I** at pages 416 - 421 of the application. The shareholders of the **Resulting Company** have consented to the present Scheme as would appear from their consent affidavits. The consent affidavit of shareholders, are annexed as **Annexure - J** at pages 422 – 456 of the application. In view of the said consent affidavits, the Applicants have prayed for dispensation of meeting of the shareholders of the **Resulting Company**.

9) The Chartered Accountant of the Applicants have given certificates with respect to the list of creditors which are part of **Annexure - K** at pages 457 - 468 of the application.

10) The certificate under proviso to Section 230 (7) certifying that the accounting treatment proposed in the Scheme of Arrangement is in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 and same is annexed to the application as **Annexure - L** at pages 469 - 472.

11) Learned Counsel of the Applicants submits that the aggregate assets of the Applicant Companies are more than sufficient to meet all their liabilities and the said Scheme will not adversely affect the rights of any creditors of the Applicant Companies in any manner whatsoever and due provisions have been made for payment of all liabilities as and when the same fall due in usual course.

12) Learned Counsel of the Applicants also submits that the Scheme is not within the purview of the Competition Act, 2002.

13) Learned Counsel of the Applicants further submits that the Scheme does not provide for corporate debt restructuring and for any compromise with the creditors of the Applicants.

14) Learned Counsel of the Applicants also submits that no proceedings are pending against the Applicant Companies under sections 210 to 217 of the Companies Act, 2013 and that no investigation proceedings are pending against the Applicant Companies.

15) The valuation report of shares of the Applicant Companies for determining the share entitlement ratio, carried out by the Registered Valuer, Mr. Abhinav Agarwal, is annexed to the application as **Annexure - M** at pages 473-481. Further, fairness opinion issued by the SEBI Registered Category I Merchant Banker providing that the share entitlement ratio is fair and reasonable to the equity shareholders is annexed to the application as **Annexure - N** at pages 482-488.

16) The applicant No. 1 (**Demerged Company**) has received the observation letter dated 1st April, 2021 from the designated stock exchange, BSE Limited, stating the SEBI's observations and the same is annexed to the application as **Annexure O** at page 489. Subsequently, the applicant No. 1 (**Demerged Company**) has also received an observation letter dated 8th April, 2021 from The Calcutta Stock Exchange Ltd. and the same has been filed by way of a supplementary affidavit dated 4th May, 2021.

17) Upon perusing the records and documents in the instant proceedings and considering the submissions made on behalf of the Applicants, we allow the instant application and make the following orders:-

a. In view of the fact that the shareholders of the **Resulting Company** have given their consent by way of affidavit to the proposed Scheme of Arrangement, the meeting of the shareholders of the Resulting Company is hereby dispensed with.

b. In view of the fact that the **Resulting Company** have no creditors, either secured or unsecured, the meeting of the creditors of the Resulting Company does not arise, hence dispensed with.

c. A meeting of the equity shareholders of **Demerged Company** shall be convened via video conferencing or other audio-visual mode ("**Virtual Mode"**) and held at the registered office of the **Demerged Company** on 29th July, 2021 at 11.30 A.M. for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Arrangement.

d. A meeting of the secured creditors of the **Demerged Company** shall be convened via video conferencing or other audio-visual mode ("**Virtual Mode"**) and held at its registered office on 29th July, 2021 at 2.00 P.M. for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Arrangement.

e. A meeting of the unsecured creditors of the **Demerged Company** shall be convened via video conferencing or other audio-visual mode ("**Virtual Mode"**) and held at its registered office on 29th July, 2021 at 4.00 P.M. for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Arrangement.

f. Subject to the directions and matters dealt with herein, such meetings shall be held virtually in accordance with the framework provided therefor in the Ministry of Corporate Affairs General Circular No.14/2020 dated 8th April, 2020, as clarified/extended from time to time, including by General Circulars bearing No.17/2020 dated 13 April 2020, No.22/2020 dated 15 June 2020, No.33/2020 dated 28 September 2020 and No.39/2020 dated 31 December 2020 ("**Virtual Meeting Circulars**").

g. That at least 30 (thirty) clear days before the date of the said meetings an advertisement convening the same and stating that copies of the said Scheme of Arrangement and the Statement containing necessary details required to be filed pursuant to Section 230 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016 is being sent with notice, shall be published once each in "*The Business Standard*" (English) and "*Aajkal*" (Bengali) as per requirements of Section 230 of the Companies Act, 2013 in Form CAA 2 of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016.

h. That in addition, at least 30 (thirty) clear days before the meeting to be held as aforesaid, a notice convening the said meetings at the place/mode and time as aforesaid together with a copy of the said Scheme, the Statement disclosing necessary details required to be filed pursuant to Section 230 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016 shall be sent by e-mail to the shareholders, secured and unsecured creditors of the **Demerged Company**, whose e-mail addresses are duly registered with the **Demerged Company**, addressed to each of the shareholder, secured and unsecured creditor, at their last known e-mail address as per the records of the **Demerged Company**. Shareholders, secured and unsecured creditors, whose e-mail address are not available, shall be provided an opportunity by way of notice in the advertisement of notice mentioned in para 9(g) above to register their e-mail address to receive the notice of the said respective meetings.

i. Notice shall be served as per requirement of Sub-Section 5 of Section 230 of the Companies Act, 2013 alongwith all the documents including a copy of the Scheme and the Statement disclosing necessary details on the Central Government through the Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata, the Registrar of Companies, West Bengal, Kolkata, Competition Commission of India, Income Tax Authorities having jurisdiction over the applicant companies, and Stock Exchanges, i.e., BSE Limited and The Calcutta Stock Exchange Ltd., and such other sectoral regulators/authorities, if applicable, by sending the same by hand delivery through special messenger or by post or by email, within 14 days from the date of this order for filing their representation, if any, within 30 days from the date of receipt of the notice. The notice shall specify that representation, if any should be filed before this Tribunal within 30 days from the date of receipt of the notice with a copy of such representation being sent simultaneously to the Applicants' Advocate. If no such representation is received by the Tribunal within the said period, it shall be presumed that such authorities have no representation to make on the Scheme of Arrangement. Such notice shall be sent pursuant to Section 230(5) of the Companies Act, 2013 read with rule 8(2) of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016 in Form No. CAA.3 of the said Rules with necessary variations incorporating the directions herein either by e-mail or speed post or by personal messenger.

j. Chairperson: Mr. Deepak Khaitan, C.S. (Mob- 9830306692/9007055560) shall be the Chairperson for the said meetings of the shareholders and unsecured and secured creditors of **Demerged Company** to be held as aforesaid. The consolidated remuneration shall be of Rs.75,000/- (Rupees Seventy-five thousand only) for conducting the aforementioned meetings.

k. Scrutiniser: Mr. Deepak Pandey, Chartered Accountant, Membership no.30692, (Mob- 9038033777), shall be the Scrutiniser for the said meetings of the shareholders and unsecured and secured creditors of the **Demerged Company** to be held as aforesaid. The consolidated remuneration shall be of Rs.60,000/- (Rupees Sixty thousand only) for conducting the aforementioned meetings.

l. Quorum and Attendance: The quorum for the said meetings of persons entitled to attend the same shall be determined in accordance with section 103 of the Companies Act, 2013. For the meetings to be held in the Virtual Mode, attendance of such persons in Virtual Mode shall be counted for the purpose of quorum. Attendance at such meetings shall be recorded in the minutes of the meetings instead of taking physical attendance slips. In case the quorum of any meeting is not present within half an hour from the time appointed for the meeting, the Chairperson may adjourn such meeting to any date/time and take a decision on the quorum for the adjourned meeting.

m. Proxies & Board Resolutions: If a Body Corporate chooses to vote by remote e-voting, a scanned copy of such board resolution shall be sent by e-mail to the Scrutiniser and, if it chooses to vote by postal ballot, certified copy of such board resolution shall be sent to the Scrutiniser along with the postal ballot form. It is clarified that proxies can only attend at the venue of the meeting and vote thereat by polling paper/e-voting and are not entitled otherwise to attend or to vote by remote e-voting or postal ballot.

n. Mode of Voting: Voting in the meetings held in Virtual Mode shall be by e-voting only. Further, in case of meetings of the Equity Shareholders of the applicant no. 1 (Demerged Company), facility for voting by remote e-voting shall also be provided during the period from 26/07/2021 (9.00 A.M.) to 28/07/2021 (5.00 P.M.). The facility for remote e-voting shall be disabled at 5.00 P.M. on 28/07/2021.

o. Cut-off date: The cut-off date for determining the eligibility to vote and value of votes shall be 22/07/2021 for the meeting of shareholders and as per Chartered Accountant's Certified List annexed to the application for the meetings of creditors. The value of the votes cast shall be reckoned and scrutinised with reference to the said dates.

p. Voting Procedure: Subject to the directions and matters dealt with herein, the procedure for voting by e-voting and conduct of voting, in so far as the same is prescribed by the Virtual Meeting Circulars and Companies (Management & Administration) Rules, 2014 ("**the said Rules**") and the forms thereunder shall be followed with such variations as required in the circumstances and in relation to the resolution for approval of the Scheme.

q. That the Chairperson appointed for the said meeting(s) or any person authorised by the Chairperson do issue and send the notices of the aforesaid meetings.

r. The votes cast shall be Scrutinised by the Scrutiniser. Votes cast in all the modes shall be consolidated. The Scrutinizer shall prepare and submit the respective reports on the meeting(s) along with all papers relating to the voting to the Chairperson of the meeting(s) within 3 days of the conclusion of the meeting(s). The Chairperson shall declare the results of the meetings after submission of the reports of the Scrutiniser. The declaration of results by the Chairperson shall also be posted on the website of the Applicant(s) and in case an Applicant does not have a website, the declaration of results shall be published in the same newspapers in which notice of the meetings were advertised.

s. The value of each shareholder and creditor shall be in accordance with the books and records of the Applicant and, where entries in the books are disputed, the Chairperson shall determine the value for purposes of the said meetings.

t. The resolution for approval of the Scheme of Arrangement put to a meeting shall, if passed by a majority in number representing three-fourths in value of the respective shareholders/creditors casting their votes, as aforesaid, shall be deemed to have been duly passed on the date of such meeting under section 230(1) read with section 232(1) of the Companies Act, 2013.

u. That the chairperson do report to this Tribunal the results of the said meetings within 4 (four) weeks from the date of conclusion of the meetings and the report shall be in Form CAA 4 pursuant to Rules 13(2) and 14 of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016, verified by affidavit.

17) The Applicants to file an affidavit proving service of notices of meetings and publication of advertisement and compliance of all directions contained herein at least a week before the meetings to be held.

18) The applicants are at liberty to file second motion petition within two weeks from the date of filing of the report by the Chairperson of the meetings.

19) The application being CA(CAA) No. 106/KB/2021 is disposed of accordingly.

20) The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.

21) Certified copy of the order may be issued, if applied for, upon compliance of all requisite formalities.

Rajasekhar V K

Digitally signed by Rajasekhar V K
Date: 2021.06.14 10:19:25 +05'30'

Harish Chander Suri
Member (Technical)

Rajasekhar V.K.
Member (Judicial)

Signed this 14th day of June 2021.

hb.

SCHEME OF ARRANGEMENT

UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013

BETWEEN

KKALPANA INDUSTRIES (INDIA) LIMITED

(Demerged Company)

And

DDEV PLASTIKS INDUSTRIES LIMITED

(Resulting Company)

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Tanu Panday

PREAMBLE

A. This Scheme of Arrangement has been propounded for demerger and vesting of the **'Compounding Business Undertaking'** (as defined hereinafter) of **Kkalpana Industries (India) Limited** ('Demerged Company'), as a going concern to **Ddev Plastiks Industries Limited** ('Resulting Company') pursuant to Sections 230 to 232 read with other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, and also read with Section 2(19AA), Section 2(19AAA), Section 2(41A) and other applicable provisions of the Income-tax Act, 1961. Further, this Scheme also provides for reduction and cancellation of equity shares of the Resulting Company held by the Demerged Company and its nominees (without payment of consideration), in terms of section 66 of the Companies Act, 2013. Additionally, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

After the effectiveness of this Scheme, the share capital of the Resulting Company, consisting of fully paid-up new equity shares of the Resulting Company issued to the shareholders of the Demerged Company as consideration in terms of Part B of the Scheme shall be listed on the BSE Limited ['BSE'], in accordance with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated 10th March, 2017, as amended from time to time.

B. **BACKGROUND OF COMPANIES**

I. **KKALPANA INDUSTRIES (INDIA) LIMITED ('Demerged Company')** is a public company, limited by shares and listed on the BSE and the Calcutta Stock Exchange ['CSE']. The Demerged Company was incorporated under the Companies Act, 1956 on 3rd September, 1985 in the state of West Bengal and having its registered office situated at 2B, Pretoria Street, Kolkata - 700 071, West Bengal.

The Corporate Identification Number ('CIN') of the Demerged Company is L19202WB1985PLC039431 and the Permanent Account Number ('PAN') of the Demerged Company is AABCK2239D.

The Demerged Company has not changed its name, registered office address and objects during the last five years. The Demerged Company is engaged in the business of manufacturing plastic compounds and reprocessing / recycling of plastic.

II. **DDEV PLASTIKS INDUSTRIES LIMITED ('Resulting Company')** was incorporated under the Companies Act, 2013 on 7 December 2020 in the state of West Bengal as a public company,

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limited by shares, having its registered office situated at 2B, Pretoria Street, Kolkata - 700 071, West Bengal.

The CIN of the Resulting Company is U24290WB2020PLC241791 and the PAN of the Resulting Company is AAICD1853B.

The Resulting Company has been recently incorporated for demerging the Compounding Business Undertaking of the Demerged Company to the Resulting Company. The Resulting Company has not changed its registered office address, name or objects since incorporation.

C. RATIONALE FOR THIS SCHEME OF ARRANGEMENT

The Demerged Company is engaged in the business of manufacturing plastic compounds and owns the following two business undertakings:

- Compounding Business Undertaking; and
- Reprocessing Business Undertaking

The Demerged Company would demerge its 'Compounding Business Undertaking' *(hereinafter referred to as the 'Demerged Undertaking')* to the Resulting Company and it would continue to run and operate the 'Reprocessing Business Undertaking' *(hereinafter referred to as the 'Remaining Undertaking')*. The underlying business rationale and objectives are as follows:

1. The Demerged Undertaking and the Remaining Undertaking have their own set of strengths and dynamics in the form of nature of risks, competition, challenges, opportunities and business methods, leading to different growth potentials. Hence, segregation of the two undertakings would enable a focused management to explore the potential business opportunities effectively and efficiently;
2. The demerger would result in achieving efficiency in operational processes by designing and implementing independent strategies specifically designed for the two businesses and in optimizing profitability. This would in turn enhance the shareholders' wealth.
3. Targeting and attracting new investors with specific focus and expertise in the two businesses, thereby providing the necessary funding impetus to the long-term growth strategy of the two businesses;
4. The Compounding Business Undertaking of the Demerged Company is an old and diverse undertaking, that caters to a range of sectors viz., housing wiring, high voltage cables, packaging, white goods, automotive, footwear, to name a few. The Compounding Business Undertaking has proved its significant resistance to market volatility over the years and therefore, on a standalone basis, it has scope for enhanced valuation and entry of strategic domestic / international players by way of technological tie-ups / direct acquisition of

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stake in the business. Hence, demerger of the Compounding Business Undertaking would help in targeting and attracting new investors with specific focus and expertise in the business, thereby providing the necessary funding impetus to the long-term growth strategy of the businesses.

5. The remaining Undertaking of the Demerged Company, inter alia, comprises of a Reprocessing Business Unit located in Falta, West Bengal, and it holds a license for reprocessing of plastic waste which has restriction on transferability. A similar license is also held in a Dubai based wholly owned subsidiary ['WOS'] of the Demerged Company. Since ultimate ownership of such licenses relating to the Remaining Undertaking rests with the Demerged Company, the Reprocessing Business Undertaking along with its corresponding licenses as aforesaid, would be continued to be retained by the Demerged Company.

6. Further, given the recent international trends and demand for recycling of plastics (recognized as upcycling across the world), the Reprocessing Business Undertaking has significant long-term growth prospects. Moreover, growth potential of the Reprocessing Business Undertaking is substantially high. Hence, demerger of the Compounding Business Undertaking would also enhance the standalone valuation for Reprocessing Business Undertaking. Such higher growth and valuation potentials would be attractive to specific set of strategic domestic / international players who would look to target direct acquisition of stake in the business. The transfer and vesting of the Demerged Undertaking to the Resulting Company will enable better focus and management of the Demerged Undertaking and the Remaining Undertaking.

7. The Reprocessing Business Undertaking is a debt free unit and has significantly lower working capital requirement as compared to the Compounding Business Undertaking. Hence, demerger of the Compounding Business Undertaking would help in independently managing the different funding requirements of the two business, both in terms of type of funds and amount of infusion required for the businesses.

8. As part of expansion plans for Reprocessing Business Undertaking, the Demerged Company intends to explore chemical recycling and other recycling activities, which are also expected to attract strategic domestic and international investors.

   Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE. Therefore, the existing shareholders of the Demerged Company would hold the shares of two listed entities after the Scheme becoming effective. Such shareholders would then be able to choose whether they want to remain invested in either or both the businesses / operations of the Demerged Company, giving them flexibility in managing their investment in the two businesses having differential dynamics.

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The Board of Directors of the Demerged Company and the Resulting Company believe that the Scheme is in the best interests of the respective entities and their respective stakeholders including its minority shareholders for the reasons aforesaid.

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PARTS OF THE SCHEME

This Scheme of Arrangement is divided into the following parts:

PART - A	Deals with definitions of the terms used in this Scheme of Arrangement, share capital of the companies and the Operation of this Scheme
PART - B	Deals with the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company
PART - C	Deals with the reduction and cancellation of share capital of Resulting Company and its nominees held by the Demerged Company, without consideration
PART - D	Deals with general terms and conditions applicable to this Scheme

PART A

1. DEFINITIONS

In this Scheme (*as defined hereafter*), unless repugnant to or inconsistent with the meaning or context thereof, the following expressions shall have the following meanings:

1.1. **"Act"** or **"the Act"** means the Companies Act, 2013 and rules made thereunder or statutory modifications, amendments or re-enactment thereof;

1.2. **"Accounting Standards"** means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standards ('Ind-AS'), and all pronouncements including the guidance notes and other authoritative statements of the Institute of Chartered Accountants of India and / or the National Financial Reporting Authority;

1.3. **"Applicable law"** means all the applicable statutes, notification, enactments, act of legislature, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or other instructions having force of law enacted or issued by any Appropriate Authority including any statutory modifications or re-enactment thereof for the time being in force;

1.4. **"Appointed Date"** for the purposes of this Scheme shall mean 1st April, 2021 or such other date as may be fixed by the Hon'ble National Company Law Tribunal, Kolkata Bench, while sanctioning the Scheme;

1.5. **"Appropriate Authority"** means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, including the Registrar of Companies, Regional Director, Hon'ble NCLT, Securities And Exchange Board of India, Stock Exchange, and such other regulators or authorities as may be applicable;

1.6. **"Assets"** shall mean and include without limitation, assets or properties of every kind, nature, character and description whether movable, immovable, tangible, intangible,

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including mutual fund investments, patent and trademark, whether owned or leased or otherwise acquired or possessed;

1.7. **"Demerged Company"** shall mean Kkalpana Industries (India) Limited, a Company incorporated under Companies Act, 1956 and having its Registered Office at 2B, Pretoria Street, Kolkata - 700 071, West Bengal. The CIN of the Demerged Company is L19202WB1985PLC039431;

1.8. **"Demerged Undertaking"** or **"Compounding Business Undertaking"** means and includes all activities, business operations of such undertaking, properties, Assets and Liabilities of whatsoever nature and kind and wheresoever situated, of and relating to the Compounding Business Undertaking of the Demerged Company as detailed below:

(i) The business relating to "Compounding Business Undertaking" of the Demerged Company and other ancillary business connected therewith, on a going concern basis.

(ii) All Assets and property, wherever situated, including in possession of third parties, whether movable or immovable, leasehold or freehold, tangible or intangible including but not limited to any and all rights, title and interest in connection with any land (together with the buildings and structures standing thereon), capital work-in-progress, plant and machinery, leasehold improvements, vehicles, furniture, fixture, office equipment, computer installations, software and related data, electrical appliance, accessories, investments; including investments in mutual funds made out of the surplus generated from the operations of "Compounding Business Undertaking", stocks, stock in transit, wrapping supply and packaging items, debtors, intellectual properties, technical knowhow, patents, copy rights, licenses, approvals pertaining to or relatable to the operations of "Compounding Business Undertaking" of the Demerged Company.

(iii) All debts and Liabilities, secured and unsecured, exclusively relating to the operations of "Compounding Business Undertaking", as per the records of the Demerged Company, including borrowings, contractual liabilities, guarantees, provisions and security deposits.

(iv) For the purpose of this Scheme, it is clarified that liabilities pertaining to the operations of "Compounding Business Undertaking" include:

a) The liabilities which arise out of the activities of "Compounding Business Undertaking"; and

b) Specific loans and / or borrowing raised, incurred and / or utilised solely for the activities of the "Compounding Business Undertaking".

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(v) All employees of the Demerged Company substantially engaged in the operations of "Compounding Business Undertaking" and those employees that are determined by the Board of Directors of the Demerged Company to be substantially engaged in or in relation to the Demerged Undertaking on the date immediately preceding the Effective Date.

(vi) All rights and licenses, membership, all assignments and grants thereof, all permits, registrations, quota, rights (including rights under any agreement, contracts, applications, letter of intent, or any other contract), subsidies, grants, tax credits, incentives or scheme of central / state governments, quality certifications and approval, product registrations (both Indian or foreign), regulatory approvals, entitlements, industrial and other licenses, municipal permissions, goodwill, approvals, consents, tenancies, if any, in relation to the office and / or residential properties for the employees, investments and / or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking either solely or jointly with other parties, cash balances, bank balances, bank account, deposits, advances, recoverable receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued on behalf of Demerged Company in relation to the operations of "Compounding Business Undertaking", funds belonging to or proposed to be utilised for the operations of "Compounding Business Undertaking", privileges all other claims, rights and benefits (including under any powers of attorney issued by the Demerged Company in relation to the operations of "Compounding Business Undertaking" or any power of attorney issued in favour of the Demerged Company or from or by virtue of any proceedings before a legal quasi-judicial authority or any other statutory authority to which the Demerged Company was a party, powers and facilities of every kind, nature and description whatsoever, rights to use and avail telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the operations of "Compounding Business Undertaking";

(vii) All books, records, files, papers, computer programs along with their licenses, manuals and back-up, copies, drawing, other manuals, data catalogue, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customers pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the operations of "Compounding Business Undertaking";

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(viii) All advances, deposits and balance with Government, semi-Government, Local and other authorities and bodies, customers and other person, earnest money and / or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the operations of "Compounding Business Undertaking";

In case of any question that may arise as to whether any particular asset (including common assets viz. cash / bank balances) or liability and / or employees or any other matter pertains or does not pertain to the operations of "Compounding Business Undertaking" of the Demerged Company, the same shall be decided mutually by the Board of Directors of the Demerged Company and the Resulting Company and the said decision shall be final;

1.9. **"Effective Date"** shall mean later of the date on which the certified true copy of the order of Hon'ble National Company Law Tribunal, Kolkata Bench sanctioning this Scheme are filed with the Registrar of Companies, West Bengal, by the Demerged Company and the Resulting Company. References in this Scheme to the word "upon the Scheme becoming effective" or "effectiveness of this scheme" or "upon the Scheme coming into effect" shall mean Effective Date;

1.10. **"Liability(ies)"** means liabilities of every kind, nature and description and includes secured loans, unsecured loans, borrowings, statutory liabilities, contractual liabilities and guarantees;

1.11. **"LODR Regulations"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and includes all the amendments or statutory modifications thereto or re-enactments thereof;

1.12. **"NCLT"** means the Hon'ble National Company Law Tribunal, Kolkata Bench, and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of above mentioned Tribunal under the Act for approving any Scheme of Arrangement of a Company under Section 230 to 232 of the Act and Section 66 of the Act and other relevant provisions of the Act;

1.13. **"Record Date"** means the date to be fixed by the Board of Directors of the Resulting Company after the Effective Date, for the purpose of determining the shareholders of the Demerged Company, for the purpose of issue and allotment of Equity Shares of the Resulting Company in terms of this Scheme;

1.14. **"Remaining Undertaking"** means all the business assets and liabilities and activities of the Demerged Company, other than the business assets and liabilities of

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Demerged Undertaking, which upon this Scheme becoming effective, shall remain vested with the Resulting Company, as provided in this Scheme;

1.15. **"Resulting Company"** shall mean Ddev Plastiks Industries Limited, a Company incorporated under the Act and having its Registered Office at 2B, Pretoria Street, Kolkata - 700 071, West Bengal. The CIN of the Resulting Company is U24290WB2020PLC241791;

1.16. **"Scheme of Arrangement"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form including any modification(s) or amendments thereon, approved or imposed or directed by the SEBI and / or Hon'ble NCLT;

1.17. **"SEBI"** means the Securities and Exchange Board of India

1.18. **"SEBI Circular"** means circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended) on Schemes of Arrangement by Listed Entities and Relaxation under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended by the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated November 3, 2020 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;

1.19. **"Stock Exchange"** means the BSE Limited

All the terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act, and other applicable laws, rules, regulations, bye laws as the case may be, including any statutory modification or re-enactment from time to time.

2. SHARE CAPITAL

2.1 The Authorised, Issued, Subscribed and Paid-Up Share Capital of the Demerged Company as on 7th December, 2020 is as under:

Particulars	Amount (INR)
Authorized Equity Share Capital	
153,000,000 Equity Shares of INR 2/- each	306,000,000
Issued, Subscribed and Paid-up Equity Share Capital	
94,072,930 Equity Shares of INR 2/- each	188,145,860
There has been no change in the Authorized, Issued, Subscribed and Paid-Up Share Capital of the Demerged Company after 7th December, 2020.	

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2.2 The Authorized, Issued, Subscribed and Paid-Up Share Capital of the Resulting Company as on 7th December, 2020 is as under:

Particulars	Amount (INR)
Authorized Equity Share Capital 150,000 Equity Shares of INR10/- each	1,500,000
Issued, Subscribed and Paid-up Equity Share Capital 10,000 Equity Shares of INR10/- each	100,000
The entire issued, subscribed and paid up equity share capital of the Resulting Company has been subscribed by the Demerged Company and its nominees and presently the Resulting Company is a wholly owned subsidiary of the Demerged Company. There has been no change in the Authorized, Issued, Subscribed and Paid-Up Share Capital of the Resulting Company since incorporation.	

3. **DATE WHEN THIS SCHEME COMES INTO OPERATION**

The Scheme set out herein in its present form or with modification(s), approved or imposed or directed by the SEBI and / or Hon'ble NCLT, although operative from the Appointed Date, shall become effective from the Effective Date.

4. **COMPLIANCE WITH TAX LAWS**

This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date, including resulting from amendment of law or for any other reason whatsoever, the provisions of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will, however, not affect other parts of the Scheme. The power to make such modifications / amendments, as may become necessary, shall vest with the Board of Directors of the Demerged Company, which can exercise the power at any time and shall be exercised in the best interest of the Demerged Company and the Resulting Company.

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PART B

TRANSFER AND VESTING OF COMPOUNDING BUSINESS UNDERTAKING (DEMERGED UNDERTAKING) OF KKALPANA INDUSTRIES (INDIA) LIMITED (DEMERGED COMPANY) INTO DDEV PLASTIKS INDUSTRIES LIMITED (RESULTING COMPANY)

5. TRANSFER AND VESTING OF DEMERGED UNDERTAKING

Upon this Scheme becoming effective and with effect from the Appointed Date and pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Act and pursuant to the Orders of the Hon'ble NCLT or other Appropriate Authority or forum, if any, sanctioning the Scheme, without any further act, instruments, deed, matter or thing, the Demerged Undertaking shall stand demerged and transferred and be vested in the Resulting Company as a going concern, together with all its properties, assets, liabilities, obligations, rights, titles, benefits and interests therein.

6. TRANSFER OF ASSETS

Without prejudice to the generality of clause 5 above:

6.1 Upon this Scheme becoming effective and with effect from the Appointed Date, any and all assets relating to the Demerged Undertaking, as are movable in nature or are otherwise capable of transfer by physical or constructive delivery, or by endorsement and acknowledgement of possession, pursuant to this Scheme, shall stand transferred and vested as such by the Demerged Company and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

6.2 Upon this Scheme becoming effective and with effect from the Appointed Date, any and all movable properties of the Demerged Company relating to the Demerged Undertaking, other than those specified in clause 6.1 above, including sundry debtors, outstanding loans and advances, financial assets, investments, and other current assets, if any, recoverable in cash or in kind or for value to be received, cash & bank balance and deposits, shall without any further act, instrument or deed, or without any intimation to any third party, be transferred to and vested in and / or be deemed to be transferred to and vested in and become the property of the Resulting Company.

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6.3 All immovable properties relating to the Demerged Undertaking, including land together with the buildings and structures standing thereon and rights and interests in immovable properties pertaining to the Demerged Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Resulting Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law without any further act or deed done or being required to be done by the Demerged Company and/or the Resulting Company, pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. The Demerged Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties, upon the sanctioning of Scheme by the NCLT and the Scheme becoming effective. The relevant authorities shall grant all clearances/permissions, if any, required for enabling the Resulting Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Resulting Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the Appropriate Authority shall suffice as record of continuing titles with the Resulting Company and shall be constituted as a deemed mutation and substitution thereof;

6.4 Without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, pertaining to the Demerged Undertaking, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against the Resulting Company and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of the Demerged Company in any properties including leasehold/ licensed properties of the Demerged Company including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company automatically without requirement of any further act or deed, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law including without the requirement of payment of any transfer charges or any other charges. The Resulting Company shall continue to pay

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rent or lease or license fee as provided for under such agreements, and the Resulting Company shall continue to comply with the terms, conditions and covenants thereunder.

6.5 Upon this Scheme becoming effective and with effect from the Appointed Date, all assets, estate, right, title, interest, investments and properties acquired by the Demerged Company after the Appointed Date but prior to the Effective Date pertaining to the Demerged Undertaking, shall also, without any further act, instrument or deed, or without any intimation to any third party, be transferred to and vested in and / or be deemed to be transferred to and vested in and become the property of the Resulting Company.

6.6 Upon this Scheme becoming effective and with effect from the Appointed Date, any and all intangible assets including intellectual property rights, trade and service names and marks, brands, patents, copyrights, licenses, marketing authorizations, approvals, any rights of commercial nature including those attached to goodwill, or any other rights or intangible assets of whatsoever nature, of the Demerged Company, relating to the Demerged Undertaking, whether or not recorded in the books of accounts of the Demerged Company, if any, shall without any further act, instrument or deed, or without any intimation to any third party, be transferred to and vested in and / or be deemed to be transferred to and vested in and become the property of the Resulting Company.

6.7 Upon this scheme becoming effective and with effect from the Appointed Date, the past track record of the Demerged Company relating to the Demerged Undertaking, including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes, including for the purposes of eligibility, standing, evaluation and participation of the Resulting Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

6.8 The transfer and vesting of movable and immovable properties as stated above, shall be subject to encumbrances, if any, affecting the same.

7. TRANSFER OF LIABILITIES AND RELATED SECURITIES / CHARGES:

7.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities and obligations, secured and unsecured, relating to the Demerged Undertaking *(hereinafter referred to as "Transferred Liabilities")* shall without any further act, instrument or deed, or without any intimation to any third party, be transferred to and / or be deemed to be transferred to and become the debts, liabilities of the Resulting Company. The Resulting Company shall undertake to meet, discharge and satisfy the same to the exclusion of the Demerged Company.

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7.2 All the debts and liabilities, secured and unsecured relating to the Remaining Undertaking shall continue to be the debts and liabilities of the Demerged Company.

7.3 Upon this Scheme becoming effective and with effect from the Appointed Date, where any of the debts and liabilities of the Demerged Undertaking as on the Appointed Date, deemed to be transferred to the Resulting Company, have been met, discharged and / or satisfied by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge and / or satisfaction shall be deemed to have been taken for and on account of the Resulting Company.

7.4 All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall be deemed to have been raised, used and / or incurred, as the case may be, for and on behalf of the Resulting Company, and to the extent they are outstanding on the Effective date, shall also form part of the Transferred Liabilities defined hereinabove and, without any further act, instrument or deed, or without any intimation to any third party, be transferred to and / or be deemed to be transferred to and become the loans, liabilities and or obligations of the Resulting Company, which shall meet, discharge and satisfy the same.

7.5 Upon this Scheme becoming effective and with effect from the Appointed Date, in so far as the existing security in respect of the Transferred Liabilities of the Demerged Undertaking is concerned, such security shall continue to extend and operate over the assets comprised in the Demerged Undertaking, as the case may be, which have been charged in respect of the Transferred Liabilities, as transferred to the Resulting Company pursuant to this Scheme. Provided, however, that if any of the assets comprised in the Demerged Undertaking, which have not been charged or secured in respect of the Transferred Liabilities, such assets shall be transferred to the Resulting Company as unencumbered assets and in the absence of any formal amendment, which may be required by a lender or third party, shall not affect the operation of the above and this Scheme shall not operate so as to require any charge or security to be created on such assets in relation to the Transferred Liabilities.

7.6 Without prejudice to the provisions of the foregoing sub-clause and upon the Scheme becoming effective, the Demerged Company and the Resulting Company, if required, may execute any instruments or documents or do all acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies, to give formal effect to the above provisions.

7.7 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of the

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the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder.

8.3 Upon coming into effect of this Scheme and with effect from the Appointed Date, any and all statutory licenses, no objection certificates, permissions, approvals, consents, quotas, rights, entitlements, trade mark licenses (including but not limited to registered trademark of "Kkalpana"), copyrights , including application for registration of trade mark licenses, copyrights, including those relating to privileges, power, facilities of every kind and description of whatsoever nature and the benefits thereto, in relation to the Demerged Undertaking shall stand transferred to or vested in the Resulting Company without any further act or deed done by the Demerged Company and the Resulting Company, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company upon the vesting and transfer of the Demerged Undertaking pursuant to this Scheme.

8.4 Upon the coming into effect of this Scheme and with effect from the Appointed Date, any such statutory and regulatory no-objection certificate, licenses, permissions, consents, approvals, authorisations or registration, trade mark licenses (including but not limited to registered trademark of "Kkalpana") or copyrights, including application for registration of trade mark or copyrights as are jointly held for Demerged Undertaking and the Remaining Undertaking, including the statutory licenses, permissions or approvals, registration of trade mark under Trade Mark Act 1999 (including but not limited to registered trademark of "Kkalpana"), Copyrights, Sales Tax / VAT, Goods & Service Tax, Service Tax, Shops and Establishment Act or consents required to carry on the operations in the Remaining Undertaking, shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorisations, registrations or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and / or mutate or record the separation, pursuant to the filings of this Scheme as sanctioned by the Hon'ble NCLT, with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations in the Demerged Company without hindrance from the Appointed Date.

8.5 The benefit of all statutory and regulatory permissions, licenses and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme becoming effective.

8.6 All contracts hitherto engaged by the Demerged Company in relation to the Demerged Undertaking, upon the coming into effect of this Scheme and with effect from

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Transferred Liabilities and the Demerged Company shall not have any obligations in respect of the Transferred Liabilities, and the Resulting Company shall indemnify the Demerged Company in this behalf, as may be necessary.

7.8 It is expressly provided that, save as mentioned in this clause, no other term(s) or condition(s) of the Transferred Liabilities is / are modified by virtue of this Scheme except to the extent that such amendment, if any, is required by necessary implications.

7.9 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, if approved by Hon'ble NCLT, notwithstanding anything to the contrary contained in any instruments, deeds or writings or the terms of sanction or issue or any security documents; all such instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.

8. TRANSFER OF CONTRACTS, AGREEMENTS, MOUs, PERMITS, QUOTAS AND LICENSES OF DEMERGED UNDERTAKING

8.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all contracts, agreements, memoranda of agreements, memoranda of agreed points, letter of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, tenancy, leasehold or hire purchase agreements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefits of which, the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect, on or against or in favour, as the case maybe, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder.

8.2 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all permits, quotas, rights, entitlements, licenses including those relating to tenancies, privileges, power, facilities of every kind and description of whatsoever nature, leave and license agreements, trade mark licenses (including but not limited to registered trademark of "Kkalpana"), copyrights including application for registration of trademarks or copyrights, storage & warehousing agreements, commission agreements, lease agreements, hire purchase agreements, franchise agreements in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefits of which the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against Resulting Company as the case may be, and may be enforced as fully and effectually, as if, instead of

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the Appointed Date, shall be deemed to be engaged by the Resulting Company for the same purpose on the same terms and conditions.

9. **REMAINING UNDERTAKING**

9.1 The Remaining Undertaking and all the assets, liabilities and obligations, pertaining thereto shall continue to belong to and remain vested in and be managed by the Demerged Company and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Undertaking.

9.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal or any court of law) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter (including those relating to any property, right, power, liability, obligations or duties of the Demerged Company) shall be continued and enforced against the Demerged Company.

10. **EMPLOYEE MATTERS**

10.1 On the Scheme of Arrangement taking effect as aforesaid, all officers and employees of the Demerged Company, engaged in the Demerged Undertaking, as identified by the Demerged Company and in employment on the Effective Date, shall become the officers and employees of the Resulting Company on such date as if they were in continuous service without any break or interruption in service and on same terms and conditions as to remuneration, subsisting with reference to the Demerged Company, as on the said date. All funds and benefits accumulated in respect of the above officers and employees shall also be transferred to the Resulting Company.

10.2 The Resulting Company agrees that the services of all such employees with the Demerged Company up to the Effective Date shall be taken into account for the purpose of all retirement benefits payable by the Resulting Company to such employees subsequently. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, such past service with the Demerged Company shall also be taken into account and agrees and undertakes to pay the same, as and when payable.

10.3 In so far as the existing provident fund, gratuity fund and pension and / or superannuation fund or benefits created by the Demerged Company for the benefit of the employees related to the Demerged Undertaking (collectively referred to as the "*Funds*") are

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concerned, such Funds and the investments made by the Funds which are referable to the employees related to the Demerged Undertaking being transferred to the Resulting Company in terms of clause 10.1 above, shall be transferred to the Resulting Company and shall be held for their benefit.

10.4 The Resulting Company in its sole discretion, will establish necessary funds to give effect to the above transfer or deposit the same in the Scheme governed under the applicable laws and rules made thereunder, as amended from time to time, namely Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and / or Employees State Insurance Act, 1948 and / or Payment of Gratuity Act, 1972. In the event the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue or contribute to the relevant funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees related to Demerged Undertaking shall be transferred to the funds created by the Resulting Company.

11. LEGAL PROCEEDING

11.1 If any suit, appeal or other proceedings of whatsoever nature (legal, taxation and other proceedings whether civil or criminal including before any statutory or quasi-judicial authority or tribunal or any court of law), unless exclusively related to the Demerged Undertaking, by or against the Demerged Company is pending or instituted thereafter, the same shall be continued, prosecuted and enforced, by or against the Demerged Company, in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged Company, as if this Scheme had not been made.

11.2 In the event of any difference or difficulty on whether any specific legal or other proceedings relates to the Demerged Undertaking or not, the decision of the Board of Directors of the Demerged Company and Resulting Company, as mutually agreed, in this regard shall be conclusive and binding on the Demerged Company and Resulting Company.

12. TREATMENT OF TAXES

12.1 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes and duties (including but not limited to income tax, Goods and Services Tax, etc.) paid or payable by Demerged Company, and relating to the operations of the Demerged Undertaking, including all advance tax payments, tax deducted at source, credits

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for minimum alternate tax, shall, for all purposes, be treated as tax, duty or cess liability, advance tax payments, tax deducted at source, credits for minimum alternate tax, as the case may be, of the Resulting Company.

12.2 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall be permitted to revise from the Appointed Date, their respective financial statements and returns along with prescribed forms, filings and annexures under the Income-tax Act, 1961, Goods and Services Tax Laws, Customs Law and other tax laws, and to claim refunds and / or credit for taxes paid (including minimum alternate tax, tax deducted at source, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme and to claim refunds / credits, pursuant to provisions of this scheme.

12.3 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company would undertake appropriate filings under the Goods and Services Tax Rules, to facilitate claim of refunds and / or transfer of credit for taxes paid and for matters incidental thereto in relation to the Demerged Undertaking, available with the Demerged Company.

12.4 All disallowances under section 43B of the Income-tax Act, 1961, in the hands of Demerged Company, in relation and pertaining to the Demerged Undertaking, shall be claimed as a deduction under section 43B of the Income-tax Act, 1961 by the Resulting Company when the payment is made by the Resulting Company against such expenses.

12.5 Any refunds or credits (including credits for minimum alternate tax, advance tax and tax deducted at source under the provisions of Income-tax Act, 1961), benefit or carry forward losses and other statutory benefits under the Income-tax Act, 1961, Service Tax laws, Central Sales Tax, Goods and Services Tax, applicable State Value Added Tax Laws or other applicable laws / regulations dealing with taxes /duties/ levies, due to the Demerged Company, relating to Demerged Undertaking, including refunds, benefits or credits consequent to the assessment made on Demerged Company (including any refund for which no credit is taken in the accounts of the Demerged Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company upon this Scheme becoming effective.

12.6 Further, any tax deducted at source by Demerged Company with respect to Demerged Undertaking on transactions with the Resulting Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly and vice versa.

12.7 Upon the Scheme coming into effect, any obligation of tax deduction at source on any payment made by or to be made by the Demerged Company relating to Demerged Undertaking shall be made or deemed to have been made and duly complied with by the Resulting Company.

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13. **OTHER PROVISIONS**

13.1 The Demerged Company and the Resulting Company may, after the Scheme becomes effective, for the sake of good order, execute amended and re-stated arrangements or confirmations or other writings, if required, for the ease of the Demerged Company, the Resulting Company and the counter party concerned in relation to the Remaining Business and / or the Demerged Undertaking, without any obligations to do so and without modification of any commercial terms or provisions in relation thereto.

13.2 Upon the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company shall secure the change in record of rights and any other records relevant for mutating the legal ownership of any immovable property vested with the Resulting Company and relating to the Demerged Undertaking. The Demerged Company and the Resulting Company are jointly and severally authorised to file such declarations and other writings to give effect to this Scheme and to remove any difficulties in implementing the terms hereof.

14. **CONDUCT OF BUSINESS**

14.1 With effect from the Appointed Date and up to and including the Effective Date:

(a) The Demerged Company undertakes to carry on and shall be deemed to carry on all business and activities relating to the Demerged Undertaking for and on account of and in trust for the Resulting Company.

(b) All income, expenditures including management costs, profits accruing to the Demerged Company and all taxes thereof or losses arising or incurred by it relating to the Demerged Undertaking shall, for all purposes, be treated as the income, expenditure, profits or losses, as the case may be, of the Resulting Company.

(c) Any of the rights, powers, authorities and privileges attached or related or pertaining to the Demerged Company and exercised by or available to the Demerged Company, in relation to the Demerged Undertaking shall be deemed to have been exercised by the Demerged Company for and on behalf of and as an agent for the Resulting Company. Similarly, any of the obligations and commitments attached, relating or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for the Resulting Company.

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14.2 With effect from the Effective Date, the Resulting Company shall be duly authorised to carry on the business of the Demerged Undertaking previously carried on by the Demerged Company. The Resulting Company agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Demerged Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

14.3 To avoid any undue hardship to the Demerged Company or the Resulting Company on account of disruption of business post the Effective Date, the Resulting Company shall be entitled to use all the business authorizations, including licenses, contracts etc., having the name of the Demerged Company in connection with the Demerged Undertaking, till such authorizations are issued afresh / transferred / renewed in the name of the Resulting Company.

14.4 On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Company pertaining to the Demerged Undertaking, in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.

15. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking shall not in any manner affect any transaction or proceedings, contracts or deeds already concluded by the Demerged Company (in respect of the Demerged Undertaking) on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all such acts, deeds and things done and executed by and / or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

16. ISSUE OF EQUITY SHARES BY THE RESULTING COMPANY

16.1 Upon coming into effect of the Scheme and in consideration of transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any

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further application, act, instrument or deed and without any further payment, issue and allot equity shares to those equity shareholders of the Demerged Company whose names appear in the register of members of the Demerged Company as on the Record Date or to his / her heirs, executors, administrators or the successors-in-title, as the case may be, in the following manner:

"1(one) fully paid up equity shares of INR 1/- each of the Resulting Company, for every 1(one) fully paid up equity shares of INR 2/- each in the Demerged Company."

16.2 The equity shares of the Resulting Company shall be issued in such a manner that the percentage of shareholding of the equity shareholders of the Demerged Company in the Resulting Company, after giving effect to reduction and cancellation of equity shares of the Resulting Company held by the Demerged Company and its nominees, is exactly same or mirror as their inter-se shareholding in the Demerged Company.

16.3 The equity shares of the Resulting Company will be issued to the shareholders of the Demerged Company in dematerialized form, to the account, in which the shares of the Demerged Company are held by them or such other account, as may be intimated by the shareholders of the Demerged Company to the Demerged Company or the Resulting Company in writing before the Record Date. All the shareholders of the Demerged Company who hold shares in physical form shall also have the option to receive the equity shares of the Resulting Company in dematerialized form, provided the details of their account with the Depository Participant are intimated to the Demerged Company or the Resulting Company in writing before the Record Date. For the shareholders who fail to provide such information, shall be issued equity shares in physical form. Notwithstanding the above, if as per Applicable laws, the Resulting Company is not permitted to issue and allot the new equity shares in physical form and it has still not received the demat account details of such shareholders of the Demerged Company, the Resulting Company shall issue and allot such equity shares, in lieu of the share entitlement of the shareholders of the Demerged Company, into the Demat Suspense Account, which shall be operated by one of the directors of the Resulting Company, authorized in this regard. Subsequently, on receipt of the appropriate evidence from the shareholders as to their entitlements, the Board of Directors will transfer such shares from the Demat Suspense Account to the individual demat account of such claimant shareholders.

16.4 The new equity shares to be issued and allotted in terms of this Scheme will be subject to the provisions of Memorandum and Articles of Association of the Resulting Company. The said equity shares of the Resulting Company to be issued to the eligible shareholders of the Demerged Company pursuant to the clause 16.1 above shall rank *pari-passu* in all respects with the existing equity shares of the Resulting Company.

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16.5 In the event of there being any pending and valid shares transfers, whether lodged or outstanding of any members of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, even subsequent to the Appointed Date or the Effective Date, as the case may be, to effectuate such a transfer in the Demerged Company, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor / transferee of the shares of the Demerged Company and in relation to the shares issued by the Resulting Company upon the effectiveness of this Scheme.

16.6 The issue and allotment of equity shares to the members of the Demerged Company as provided in this Scheme, is an integral part thereof and shall be deemed to be made in compliance with the procedure laid down under Section 62 and other applicable provisions of the Act and no separate approvals / procedures etc. required to be carried out under the Act. The approval of the members for the Scheme shall be deemed to be approval under Section 62 and other applicable provisions, if any, of the Act.

16.7 As a result of the demerger and resultant transfer of the Demerged Undertaking to the Resulting Company, and upon this Scheme becoming effective and with effect from the Appointed date, a part of the authorised share capital of the Demerged Company, amounting to INR 100,000,000/- (50,000,000 equity shares of INR 2/- each), shall stand transferred to and form part of the authorised share capital of the Resulting Company, without any further act or deed and simultaneously with a re-classification of the authorised share capital of the Resulting Company in accordance with the provisions of section 61 of the Act, and the fee, if any, paid by the Demerged Company on its authorised share capital shall be set off against any fees payable by the Resulting Company on its authorised capital, subsequent to the Demerger. Balance fees if any payable, after the aforesaid adjustment by the Resulting Company shall be duly paid in accordance with law upon the sanctioning of the Scheme.

16.8 Upon this scheme coming into effect and with effect from the Appointed Date (and consequent to transfer of a part of the existing authorised share capital of the Demerged Company to the Resulting Company), the authorised share capital of the Demerged Company shall stand reduced by 50,000,000 equity shares of INR 2/- each. Such reduced share capital shall stand transferred to the Resulting Company. Revised clause V of the Memorandum of Association of the Demerged Company, post giving effect to above transfer, shall stand modified and be substituted by the following:

"The Authorized Share Capital of the Company is INR 206,000,000/- (Indian Rupees Twenty Crores Sixty Lakhs only) divided into 103,000,000 (Ten Crore Thirty Lakhs only) Equity Shares of Indian Rupees 2/- (Rupees Two only) each with the rights,

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privileges and conditions attaching thereto as are provided by regulations of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential Rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

16.9 As an integral part of the Scheme and upon coming into effect of the Scheme, the face value per equity share of the Resulting Company shall be sub-divided from INR 10/- per share to INR 1/- per share and the authorized equity share capital of the Resulting Company shall automatically stand increased pursuant to clauses 16.7 and 16.8, without any further act, instrument or deed on the part of the Resulting Company, such that upon coming into effect of this scheme, the authorised share capital of the Resulting Company shall be INR 101,500,000/- (Indian Rupees Ten Crores Fifteen lakhs only) divided into 101,500,000 (Ten Crores Fifteen lakhs only) equity shares of INR 1/- (Indian Rupee One only) each.

16.10 Subsequent to enhancement of authorized share capital of the Resulting Company as contemplated herein, existing clause 5. of the Memorandum of Association shall, without any further act, instrument or deed, be and stand altered, modified and amended suitably pursuant to Sections 13, 14, 61 and other applicable provisions of the Act as the case may be in the manner set out below and be replaced by the following-

"5. The authorised share capital of the Company is INR 101,500,000/- (Indian Rupees Ten Crores Fifteen lakhs only) divided into 101,500,000 (Ten Crores Fifteen lakhs only) equity shares of INR 1/- (Indian Rupee One only) each"

16.11 It is hereby clarified that for the purposes of clause 16.7 to 16.10 above the consent / approval given by the members of the Demerged Company and Resulting Company to this Scheme pursuant to Section 230 to 232 and other applicable provisions, if any, of the Act shall be deemed to be sufficient for the purposes of effecting the above amendment and increase in the authorized share capital of the Resulting Company, if at all required, and no further resolutions or actions under Section 13, 14, 61 or under other provisions of the Act would be required to be separately passed or taken. However, the Demerged Company and Resulting Company shall file the requisite forms / documents with the Registrar of Companies, West Bengal which has jurisdiction over the Demerged Company and Resulting Company, for such alteration of its authorized share capital, as aforesaid. Balance fees if any payable, after the aforesaid adjustment by the Resulting Company shall be duly paid in accordance with law upon the sanctioning of the Scheme.

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16.12 The Resulting Company shall apply to the BSE for listing and admission to trading, of all the equity shares issued under this Scheme, in terms of the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated 10 March 2017, as amended from time to time. Further, the Resulting Company and the Demerged Company shall enter into such arrangements, complete such formalities and give such confirmations and / or undertakings to BSE or any other Appropriate Authority, as may be necessary in accordance with the Applicable Laws for the listing of equity shares of the Resulting Company issued in pursuance of this Scheme.

16.13 The equity shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing / trading permission is given by the designated stock exchange, i.e., BSE.

16.14 There shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing date, which may affect the status of approval of the stock exchanges to the Scheme.

16.15 Equity shares of the Resulting Company issued in lieu of locked-in shares equity shares, if any, of the Demerged Company, will be subject to the same lock-in requirement for the remaining period, as the shares of the Demerged Company. However, additional lock-in requirements in terms of the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated 10 March 2017, as amended from time to time shall not apply in relation to equity shares issued by the Resulting Company in pursuance of this Scheme, since the post-scheme shareholding pattern of the Resulting Company shall be exactly similar to the shareholding pattern of the Demerged Company.

17. ACCOUNTING TREATMENT

17.1 ***Treatment in the books of the Demerged Company***

The Demerged Company shall account for demerger of Demerged Undertaking, in its books as per the applicable accounting principles prescribed under the relevant Ind-AS. It shall *inter alia* include the following:

17.1.1 The Demerged Company shall in its books of accounts, reduce the respective carrying values of the assets and liabilities of the Demerged Undertaking being transferred to and vested in the Resulting Company at values appearing in Books of Accounts of the Demerged Company as on the Appointed Date.

17.1.2 The aggregate of the net assets (i.e., difference between the carrying value of assets and liabilities related to Demerged Undertaking) standing in the books of accounts of the Demerged Company, transferred to the Resulting Company on the Appointed Date, shall be

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first adjusted against the balance in Capital Reserve, and thereafter against the balances in Securities Premium Reserve, General Reserve and Retained Earnings in the same order.

17.1.3 The reduction in Capital Reserve and Securities Premium of the Demerged Company shall be effected as an integral part of this Scheme in accordance with the provisions of Section 52 and Section 66 of the Act and the order of the Hon'ble NCLT sanctioning this Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction.

17.1.4 The investment of Demerged Company into the equity shares capital of the Resulting Company either itself or through its nominees, as on the effective date, if any, shall stand reduced and cancelled in accordance with Part C of the Scheme and shall be adjusted against the retained earnings in accordance with prescribed Ind-AS.

17.2 *Treatment in the books of the Resulting Company*

The Resulting Company shall account for the demerger of Demerged Undertaking, using pooling of interest method in accordance with Appendix C 'Business Combinations of entities under common control' of Ind-AS 103 - 'Business Combinations'. It shall *inter alia* include the following:

17.2.1 The Resulting Company shall record all the assets and liabilities of the Demerged Undertaking transferred to it in pursuance of this Scheme at their respective carrying values appearing in the books of accounts of the Demerged Company as on the Appointed Date, which are set forth in the closing balance sheet of the Demerged Company as of the close of business hours on the date immediately preceding the Appointed Date.

17.2.2 The Resulting Company shall credit its share capital account, with the aggregate face value of the new equity shares issued to the shareholders of the Demerged Company pursuant to demerger of Demerged Undertaking.

17.2.3 To the extent there are inter-company balance(s) and transaction(s) between the Resulting Company and the Demerged Undertaking, if any, the rights and obligations in respect thereof will stand cancelled.

17.2.4 The difference between the book value of assets and book value of liabilities so recorded in the books of Resulting Company in accordance with clause 17.2.1 as reduced by the amount credited as share capital in accordance with clause 17.2.2, shall be recorded against the following reserve (in the proportion in which the said Reserves shall be adjusted in the books of Demerged Company in accordance with clause 17.1.2 above) viz. Capital Reserve, and thereafter against the balances in Securities Premium Reserve, General Reserve and Retained Earnings in the same order.

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17.2.5 In case of any differences in accounting policy followed by the Demerged Company in respect of Demerged Undertaking vis-à-vis the accounting policy followed by the Resulting Company, the impact of the same till the Appointed Date will be quantified and adjusted in Reserves of the Resulting Company, to ensure that upon coming into effect of this Scheme, the financial statements of the Resulting Company reflect the financial position on the basis of a consistent accounting policy.

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PART C

REDUCTION AND CANCELLATION OF EQUITY SHARES OF RESULTING COMPANY HELD BY THE DEMERGED COMPANY AND ITS NOMINEES

18. REDUCTION AND CANCELLATION OF EQUITY SHARES OF RESULTING COMPANY HELD BY THE DEMERGED COMPANY AND ITS NOMINEES

18.1 Immediately upon implementation of Part B of the Scheme and with effect from the Effective Date and upon allotment of the new equity shares by the Resulting Company to the shareholders of Demerged Company, the entire pre-demerger paid up equity share capital of the Resulting Company held by the Demerged Company and its nominees shall stand cancelled, extinguished and annulled without any consideration and the paid up capital of the Resulting Company to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to section 66 of the Act as also any other applicable provisions of the Act.

18.2 The reduction of the share capital of the Resulting Company shall be effected as an integral part of the Scheme itself, without having to follow the process under section 66 of the Act separately and the order of the Hon'ble NCLT sanctioning this Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction.

18.3 On effecting the reduction of the share capital as stated in clause 18.1 above, the share certificates in respect of such shares cancelled by the Resulting Company and held by their respective holders shall also be deemed to have been cancelled.

18.4 The cancellation of the shares held by the Demerged Company and its nominees in the Resulting Company is to be appropriately adjusted with share capital/ share premium of the Resulting Company (pursuant to the provisions of the section 230 to 232 read with section 52 and section 66 and other applicable provisions, if any, of the Act.)

18.5 On the Effective Date, the Resulting Company shall debit its share capital account in its books of accounts with the aggregate face value of such cancelled shares.

18.6 The capital reserve in the books of the Resulting Company shall be increased to the extent to the amount of such cancelled shares.

18.7 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

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PART D

GENERAL TERMS & CONDITIONS APPLICABLE TO THIS SCHEME

19. APPLICATION / PETITIONS TO THE HON'BLE NCLT AND APPROVALS

19.1 The Demerged Company and the Resulting Company shall make the requisite joint company applications / petitions under Sections 230 to 232 read with Section 66 of the Act, and other applicable provisions of the Act to the Hon'ble NCLT, as applicable, for seeking the sanctioning of this Scheme.

19.2 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority and all agencies, departments and Appropriate Authorities concerned, as are necessary under any law, for such consents, approvals and sanctions which the Resulting Company may require to own and operate the Demerged Undertaking.

20. DIVIDENDS

20.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent the Demerged Company and the Resulting Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date to be fixed by Board of Directors for the purpose of any such dividend.

20.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any equity shareholder of the Demerged Company or Resulting Company to deem or claim any dividends, which subject to the applicable provisions of the Act, shall be entirely at the discretion of the Board of Directors, of the respective Companies, as may be required.

21. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

21.1 The Demerged Company and the Resulting Company by their respective Board of Directors so nominated in that behalf, may assent to any modification or amendment to this Scheme or to any conditions or limitations that the SEBI / Hon'ble NCLT and / or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the Scheme in the best interest of all stake holders. All amendments /

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modifications pursuant to this clause shall be subject to approval of the SEBI / Hon'ble NCLT or any other authorities, as required under Applicable Law.

21.2 Subject to the approval of the SEBI / Hon'ble NCLT, as required, the Demerged Company and the Resulting Company through their respective Board of Directors or such other person or persons, as their respective Board of Directors may authorize, including any committee or sub-committee thereof, are hereby empowered and authorized to assent from time to time to any modifications or amendments or conditions or limitations which the SEBI / Hon'ble NCLT or any other Government Authority, as required by Applicable Law, may deem fit to impose and to settle all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things as may be necessary for putting the Scheme into effect.

22. GENERAL TERMS AND CONDTIONS

22.1 Upon this Scheme being approved by the requisite majority of the respective members and creditors of the Demerged Company and the Resulting Company, they shall apply to the Hon'ble NCLT for sanction of this Scheme under Sections 230 to 232 and Section 66 of the Act read with other applicable provisions of the Act for such Order or Orders, as the said Hon'ble NCLT may deem fit for bringing this Scheme into effect.

22.2 The Scheme is and shall be conditional upon and subject to:

(a) The Scheme being approved by the respective requisite majorities in value of such class of person including members and / or Creditors, of the Demerged Company and the Resulting Company and requisite Order or Orders being obtained.

(b) The Scheme being approved by public shareholders of the Demerged Company through e-voting and the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it. Further, the term "public" shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.

(c) receipt of no-objection letter by the Demerged Company from the Stock Exchange and comment letter from SEBI in accordance with the SEBI Circular and LODR Regulations in respect of the Scheme (prior to filing the Scheme with the NCLT), which shall be in form and substance acceptable to the Demerged Company, acting reasonably and in good faith; The sanctions of the Hon'ble NCLT being obtained, under Sections 230 to 232 and Section 66 of the Act and other applicable provisions, if any, of the Act in favour of Demerged Company and Resulting Company and certified true copies of the Order sanctioning the Scheme passed by the Hon'ble NCLT under Section 232 being

Tanu Panday

filed with the Registrar of Companies, West Bengal and all other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

(d) In the event of this Scheme failing to take effect finally, this Scheme become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own cost or as may be mutually agreed.

23. SEVERABILITY

23.1 Any failure of any provision(s) of this Scheme for lack of necessary approval from the members / creditors / Appropriate Authorities or for any other reason that the Board of Directors may deem fit shall not result in the whole scheme failing. If any clause of this Scheme is ruled invalid or illegal by any court of competent jurisdiction, or unenforceable under present or future laws, the same shall not, subject to the decision of the Demerged Company and Resulting Company, affect the validity or implementation of the other provision(s) of this Scheme. It shall be open to the Board of Directors concerned to consent to sever such provision(s) of the Scheme and implement the rest of the Scheme with such modification.

24. EFFECT OF NON-RECEIPT OF APPROVALS

24.1 In the event of any of the said sanctions and approvals referred to in the preceding clauses not being obtained and / or the Scheme not being sanctioned by the Hon'ble NCLT or such other competent authority within such further period or periods as may be agreed upon between the Demerged Company and Resulting Company through their respective Board of Directors (and which the Board of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

25. REVOCATION OF THE SCHEME

Tanu Pandey

25.1 The Demerged Company and the Resulting Company, through their respective Board of Directors are empowered and authorized to withdraw this scheme prior to the Effective Date at any time and the same shall not be construed as any non-compliance of the Act.

25.2 In the event that any conditions are imposed by the SEBI / Hon'ble NCLT or any authorities, which the Board of Directors of the Demerged Company and the Resulting Company find unacceptable for any reason, the Demerged Company and the Resulting Company shall be at liberty to withdraw this Scheme.

26. COSTS

26.1 All costs, charges, taxes (including the stamp duty, if any, applicable in relation to this scheme), levies and all other expense, if any (save as expressly otherwise agreed) including stamp duty and registration fee etc. on any deed, documents, instruments or Hon'ble NCLT's Order arising out of and in carrying out and implementing this Scheme and matters incidental to the completion of arrangement of the said Scheme of Arrangement shall be borne and paid by Resulting Company and the Demerged Company, as mutually agreed upon.

27. SEQUENCE OF COMING INTO EFFECT OF THIS SCHEME

27.1 On the sanction of the Scheme and upon the Scheme becoming effective, the following shall be deemed to become effective and operative in the sequence and order mentioned hereunder:

(a) Demerger of the Demerged Undertaking from Demerged Company to Resulting Company;

(b) Re-organization of authorized share capital of the Resulting Company, including transfer of a part of authorized share capital of the Demerged Company to the Resulting Company and sub-division of existing paid-up equity share capital of the Resulting Company;

(c) Issue and allotment of equity shares of Resulting Company to the shareholders of the Demerged Company in consideration of Demerger as aforesaid;

(d) Reduction and cancellation of the existing equity share capital of the Resulting Company held by the Demerged Company and its nominees.

Tanu Pandey

28. MISCELLANEOUS

28.1 The Scheme does not contain or provide for any compromise with the creditors of the Demerged Company and the Resulting Company. Further, the Scheme has not been drawn to accommodate any corporate debt restructuring. The Scheme also does not come under the purview of the Competition Commission of India.

Tanvi Pandey

Annexure 3

Kkalpana Industries (India) Limited
&
Ddev Plastiks Industries Limited

Report for Reasonableness of Share Entitlement Ratio

CorpValuers

IBBI Registered Valuers & Corporate Law Professionals

ABHINAV AGARWAL

ACS, LLB., B.COM(H), RV(IBBI)

Registered Valuer

Securities or Financial Assets

Regn No. IBBI/RV/06/2019/12564

ABHINAV AGARWAL (Securities or Financial Assets) Regn. No. IBBI/RV/06/2019/12564 IBBI Registered Valuer

December 09, 2020

To,
The Board of Directors
Kkalpana Industries (India) Limited
2B, Pretoria Street, Kolkata
West Bengal, 700071

The Board of Directors
Ddev Plastiks Industries Limited
2B, Pretoria Street, Kolkata
West Bengal, 700071

Sub.: Report on share entitlement ratio for the proposed Scheme of Arrangement between Kkalpana Industries (India) Limited, Ddev Plastiks Industries Limited and their respective shareholders and creditors

Dear Sir / Madam,

I refer to the engagement letter dated December 05, 2020 with Kkalpana Industries (India) Limited (the "Demerged Company") to report on reasonableness of share entitlement ratio for the proposed demerger of Compounding Business Undertaking (the "Demerged Undertaking") of the Demerged Company into Ddev Plastiks Industries Limited (the "Resulting Company"), as a part of Scheme of Arrangement with effect from Appointed date, i.e. April 01, 2021, or such other date as may be approved by the Hon'ble National Company Law Tribunal ('NCLT').

Share entitlement ratio is the number of shares of Resulting Company, that a shareholder of the Demerged Company would be entitled to in proportion to the existing shareholding in the Demerged Company. The definition of the Demerged Undertaking as per the draft Scheme provided to us is placed in Annexure I.

SCOPE AND PURPOSE OF ENGAGEMENT

This transaction is proposed under a Scheme of Arrangement under Section 230-232 and other applicable provisions of the Companies Act, 2013, as may be applicable, read with Section 66 of the Companies Act, 2013 (the "Scheme"). As per the Scheme, the Resulting Company will issue its shares to the shareholders of the Demerged Company as a consideration for the demerger and the shares held by the Demerged Company and its nominees in the Resulting Company would stand cancelled.

This report provides an opinion on the reasonableness of the share entitlement ratio for the proposed Demerger and is subject to the scope limitations, exclusions and disclaimers detailed hereinafter. As such the report is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein.

ABHINAV AGARWAL (Securities or Financial Assets) Regn. No. IBBI/RV/ 06/2019/ 12564 IBBI Registered Valuer

DISCLOSURE OF VALUER INTEREST OR CONFLICT

I hereby declare that I am independent of the subject Companies for valuation and have not been under any direct or indirect influence, which may affect the valuation exercise. I also state that have no financial interest in the subject companies for valuation. I also confirm that this engagement shall be in compliance with the model Code of Conduct issued by IBBI vide Valuation Rules.

IDENTITY OF THE VALUER AND ANY OTHER EXPERTS INVOLVED IN THE VALUATION

There were no other valuers, apart from me, and experts involved in the carrying out process of valuation.

DATE OF APPOINTMENT, VALUATION DATE AND DATE OF REPORT

For the purpose of this assignment of valuation, following shall be the key dates:

a) **Valuation Date** - It refers to a point of time at which the asset is being valued in this report. The same is not relevant in this case.

b) **Date of Appointment** - It refers to a date on which the engagement is provided to a Valuer i.e. December 05, 2020.

c) **Date of Report** - It refers to a date on which the Report is signed by a Valuer. i.e. December 09, 2020.

BACKGROUND

Kkalpana Industries (India) Limited / Demerged Company is a public limited company incorporated under the provisions of Companies Act, 1956 on September 03, 1985 bearing Corporate Identification Number L19202WB1985PLC039431. The registered office of the Demerged Company is situated at 2B, Pretoria Street, Kolkata - 700 071. The equity shares of the Demerged Company are listed on BSE Limited ("BSE") & Calcutta Stock Exchange Limited ("CSE"). The Demerged Company has the following business undertakings:

- Compounding Business Undertaking; and
- Reprocessing Business Undertaking

Ddev Plastiks Industries Limited / Resulting Company is a public limited company incorporated under the provisions of Companies Act, 2013 on December 07, 2020 bearing Corporate Identification Number U24290WB2020PLC241791. The registered office of the Resulting Company is situated at 2B, Pretoria Street, Kolkata - 700 071. The equity shares of the Resulting Company are currently not listed on any stock exchange. The Resulting Company is a wholly owned subsidiary of the Demerged Company and is incorporated for demerging the Compounding Business Undertaking of the Demerged Company to the Resulting Company. Further, as an integral part of the Scheme and upon coming into effect of the Scheme, the face value of the equity share of the Resulting Company shall be sub-divided from INR 10/- per share to INR 1/- per share.

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As per the draft scheme and discussions with the management of the Demerged Company, I understand that in pursuance of the demerger, the Demerged Undertaking of the Demerged Company would be transferred and vested in the Resulting Company. In consideration thereof, shares of the Resulting Company will be issued to the shareholders of the Demerged Company and the existing shares of the Resulting Company held by the Demerged Company and its nominees would stand cancelled. Consequently, the Resulting Company and the Demerged Company will have mirror shareholding and the shares of the Resulting Company would be listed on BSE only.

SOURCES OF INFORMATION

For the purpose of this exercise, I have,

- Considered the unaudited carved out financials of Demerged Undertaking as on March 31, 2020
- Considered the Draft Scheme of Arrangement
- Considered the existing shareholding pattern of the Demerged Company and the Resulting Company
- Relied on the representations of Management
- Carried out such other analysis, reviews and inquires as I considered necessary.

SCOPE LIMITATIONS, EXCLUSIONS AND DISCLAIMERS

I have relied upon the information, data and explanations given to us by the Management of the Demerged Company for the purposes of concluding on the reasonableness of Share Entitlement ratio in connection with the proposed demerger. I have not carried out a due diligence or audit of Demerged Undertaking or the Demerged Company nor have I independently investigated or otherwise verified the data provided. I do not express any form of assurance that the financial information or other information as provided by the Management is accurate.

Our conclusions assume that Demerged Undertaking, the Demerged Company and the Resulting Company comply fully with the relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that Demerged Undertaking are being managed in a competent and reasonable manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in audited carved out balance sheet of Demerged Undertaking. Our conclusion on reasonableness of share entitlement ratio assumes that the assets and liabilities of Demerged Undertaking remain intact as of date of forming such opinion on Share Entitlement Ratio.

This Share Entitlement Ratio is essentially based on the information provided by the Management for which the Demerged Company accepts full responsibility. Our review and analysis have been limited to the above mentioned procedures and our analysis is subject to this limitation. Our reliance and use of this information provided by the Demerged Company or the management should not be construed as expression of our opinion on it and I do not and will not accept any responsibility or liability for any inaccuracy in it.

The exercise of valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single share entitlement ratio. While I have concluded on the reasonableness of the share entitlement

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ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as on the same.

SHARE ENTITLEMENT RATIO

As of the Report date the issued and subscribed paid up capital of the Demerged Company consists of 94,072,930 Equity Shares of face value Rs. 2/- each.

I understand from the Management of the Demerged Company that the Resulting Company is a wholly owned subsidiary of the Demerged Company and it purposes to engage in Compounding Business of the Demerged Company (currently, the Company has no commercial business activities).

Further, as per the draft scheme provided to us and information provided by the Management of the Demerged Company, I understand that pursuant to the Scheme, the face value per equity share of the Resulting Company shall be sub-divided from INR 10/- per share to INR 1/- per share. Thereafter, 100% of the pre-scheme total issued and subscribed capital of the Resulting Company, held by the Demerged Company and its nominees, shall stand cancelled, without any further act or deed on part of the Resulting Company and the same shall be adjusted against the reserves of the Resulting Company in the manner provided for in the Scheme of Arrangement. (Refer to the Clause No. 18 relating to the cancellation of share capital of the Resulting Company as per the Draft Scheme provided to us and provided in Annexure II to this Report).

I understand that in consideration of the demerger of Demerged Undertaking, the Resulting Company would issue its equity shares to the equity shareholders of the Demerged Company in the following manner:

"1 (one) fully paid up equity shares of INR 1/- each of the Resulting Company, for every 1 (one) fully paid up equity shares of INR 2/- each in the Demerged Company."

Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion being proposed for the Resulting Company is identical to that of the Demerged Company, the beneficial economic interest of the shareholders of the Demerged Company in the Resulting Company will remain identical after the demerger.

I believe that the abovementioned share entitlement ratio is fair and reasonable considering that all the shareholders of the Demerged Company are and will, upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio as they hold shares in the Demerged Company, as on record date to be decided by the management of the Demerged Company.

Our report and share entitlement ratio is based on the current equity share capital structure of the Companies and proposed cancellation of existing share capital of the Resulting Company held by the Demerged Company and its nominees. Any other variation in the equity capital structure of the companies, apart from the above mentioned prior to the Scheme of Arrangement becomes effective, may have an impact on share entitlement ratio.

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I also reproduce the table as prescribed by BSE for the purposes of issuance of this report in pursuance of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended from time to time:

Computation of Fair Share Exchange Ratio (To be read along with the note below)

	Kkalpana Industries (India) Limited		Ddev Plastiks Industries Limited	
Valuation Approach	**Value per Share**	**Weight**	**Value per Share**	**Weight**
Asset Approach	N.A	N.A	N.A	N.A
Income Approach	N.A	N.A	N.A	N.A
Market Approach	N.A	N.A	N.A	N.A
Relative Value per Share	N.A		N.A.	
Exchange Ratio (rounded off)	N.A			

Note: Consequent to this Scheme of Arrangement, the economic beneficial interest of the shareholders of the Demerged Company shall remain the same. Also, post the scheme, the shareholding pattern of the shareholders of the Demerged Company in the Resulting Company would be identical / mirror shareholding as compared to their shareholding in the Demerged Company. Hence, this is a value neutral demerger. Therefore, valuation as per the above methods is not required.

Thanking you,

Yours sincerely,

ABHINAV AGARWAL (Securities or Financial Assets) Regn. No. IBBI/RV/06/2019/12564 IBBI Registered Valuer

CS Abhinav Agarwal
Registered Valuer & Corporate Law Advisor
Reg. No. IBBI/RV/06/2019/12564
Date: December 09, 2020
Place: New Delhi

Annexure I

"Demerged Undertaking" (Clause 1.8 of the Draft Scheme)

"Demerged Undertaking" or **"Compounding Business Undertaking"** means and includes all activities, business operations of such undertaking, properties, Assets and Liabilities of whatsoever nature and kind and wheresoever situated, of and relating to the Compounding Business Undertaking of the Demerged Company as detailed below:

(i) The business relating to "Compounding Business Undertaking" of the Demerged Company and other ancillary business connected therewith, on a going concern basis.

(ii) All Assets and property, wherever situated, including in possession of third parties, whether movable or immovable, leasehold or freehold, tangible or intangible including but not limited to any and all rights, title and interest in connection with any land (together with the buildings and structures standing thereon), capital work-in-progress, plant and machinery, leasehold improvements, vehicles, furniture, fixture, office equipment, computer installations, software and related data, electrical appliance, accessories, investments; including investments in mutual funds made out of the surplus generated from the operations of "Compounding Business Undertaking", stocks, stock in transit, wrapping supply and packaging items, debtors, intellectual properties, technical knowhow, patents, copy rights, licenses, approvals pertaining to or relatable to the operations of "Compounding Business Undertaking" of the Demerged Company.

(iii) All debts and Liabilities, secured and unsecured, exclusively relating to the operations of "Compounding Business Undertaking", as per the records of the Demerged Company, including borrowings, contractual liabilities, guarantees, provisions and security deposits.

(iv) For the purpose of this Scheme, it is clarified that liabilities pertaining to the operations of "Compounding Business Undertaking" include:
  a) The liabilities which arise out of the activities of "Compounding Business Undertaking"; and
  b) Specific loans and / or borrowing raised, incurred and / or utilised solely for the activities of the "Compounding Business Undertaking".

(v) All employees of the Demerged Company substantially engaged in the operations of "Compounding Business Undertaking" and those employees that are determined by the Board of Directors of the Demerged Company to be substantially engaged in or in relation to the Demerged Undertaking on the date immediately preceding the Effective Date.

(vi) All rights and licenses, membership, all assignments and grants thereof, all permits, registrations, quota, rights (including rights under any agreement, contracts, applications, letter of intent, or any other contract), subsidies, grants, tax credits, incentives or scheme of central / state governments, quality certifications and approval, product registrations (both Indian or foreign), regulatory approvals, entitlements, industrial and other licenses, municipal permissions, goodwill, approvals, consents, tenancies, if any, in relation to the office and / or residential properties for the employees, investments and / or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking either solely or jointly with other parties, cash balances, bank balances, bank account, deposits, advances, recoverable receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued on behalf of Demerged Company in relation to the operations of "Compounding Business Undertaking", funds belonging to or proposed to be utilised for the operations of "Compounding Business Undertaking", privileges all other claims, rights and benefits (including under any powers of attorney issued by the Demerged Company in relation

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to the operations of "Compounding Business Undertaking" or any power of attorney issued in favour of the Demerged Company or from or by virtue of any proceedings before a legal quasi-judicial authority or any other statutory authority to which the Demerged Company was a party, powers and facilities of every kind, nature and description whatsoever, rights to use and avail telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the operations of "Compounding Business Undertaking";

(vii) All books, records, files, papers, computer programs along with their licenses, manuals and back-up, copies, drawing, other manuals, data catalogue, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customers pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the operations of "Compounding Business Undertaking";

(viii) All advances, deposits and balance with Government, semi-Government, Local and other authorities and bodies, customers and other person, earnest money and / or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the operations of "Compounding Business Undertaking";

In case of any question that may arise as to whether any particular asset (including common assets *viz.* cash / bank balances) or liability and / or employees or any other matter pertains or does not pertain to the operations of "Compounding Business Undertaking" of the Demerged Company, the same shall be decided mutually by the Board of Directors of the Demerged Company and the Resulting Company and the said decision shall be final;

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Annexure II

Share Cancellation Clause (Clause 18 of the Draft Scheme)

REDUCTION AND CANCELLATION OF EQUITY SHARES OF RESULTING COMPANY HELD BY THE DEMERGED COMPANY AND ITS NOMINEES

18.1 Immediately upon Implementation of Part B of the Scheme and with effect from the Effective Date and upon allotment of the new equity shares by the Resulting Company to the shareholders of Demerged Company, the entire pre-demerger paid up equity share capital of the Resulting Company held by the Demerged Company and its nominees shall stand cancelled, extinguished and annulled without any consideration and the paid up capital of the Resulting Company to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to section 66 of the Act as also any other applicable provisions of the Act.

18.2 The reduction of the share capital of the Resulting Company shall be effected as an integral part of the Scheme itself, without having to follow the process under section 66 of the Act separately and the order of the Hon'ble NCLT sanctioning this Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction.

18.3 On effecting the reduction of the share capital as stated in clause 18.1 above, the share certificates in respect of such shares cancelled by the Resulting Company and held by their respective holders shall also be deemed to have been cancelled.

18.4 The cancellation of the shares held by the Demerged Company and its nominees in the Resulting Company is to be appropriately adjusted with share capital/ share premium of the Resulting Company (pursuant to the provisions of the section 230 to 232 read with section 52 and section 66 and other applicable provisions, if any, of the Act.)

18.5 On the Effective Date, the Resulting Company shall debit its share capital account in its books of accounts with the aggregate face value of such cancelled shares.

18.6 The capital reserve in the books of the Resulting Company shall be increased to the extent to the amount of such cancelled shares.

18.7 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

ABHINAV AGARWAL (Securities or Financial Assets) Regn. No. IBBI/RV/ 06/2019/ 12564 IBBI Registered Valuer

SUNDAE
Sundae Capital Advisors Private Limited
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3rd Floor, C - 11, Community Centre
Janak Puri, New Delhi - 110 058

Ph.: +91 11 49149740
E-mail: info@sundaecapital.com
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Annexure 4

December 09, 2020

To,

The Board of Directors
KKalpana Industries (India) Limited
2B, Pretoria Street, Kolkata
West Bengal, 700071

Ddev Plastiks Industries Limited
2B, Pretoria Street, Kolkata
West Bengal, 700071

Sub.: Fairness opinion towards the valuation for the proposed Scheme of Arrangement between Kkalpana Industries (India) Limited, Ddev Plastiks Industries Limited and their respective shareholders and creditors

Dear Sir / Madam,

We, Sundae Capital Advisors Private Limited (referred to as "Sundae" or "We"), refer to the engagement letter dated December 01, 2020 with Kkalpana Industries (India) Limited (the "Demerged Company"), wherein we have been requested to provide an opinion on the captioned subject on the basis of the Share Entitlement Report dated December 09, 2020 issued by Mr. Abhinav Agarwal, Registered Valuer (IBBI Reg. No. IBBI/RV/06/2019/12564) (referred to as "Valuer").

SCOPE AND PURPOSE OF THIS REPORT

The equity shares of Kkalpana Industries (India) Limited are listed on BSE Limited ("BSE") and Calcutta Stock Exchange Limited ("CSE"). The Management of the Demerged Company is proposing to demerge Compounding Business Undertaking (the "Demerged Undertaking"). The said demerger is proposed to be implemented by undertaking a Scheme of Arrangement between Kkalpana Industries (India) Limited (the "Demerged Company") and Ddev Plastiks Industries Limited (the "Resulting Company") and their respective shareholders and creditors (the "Scheme of Arrangement").

This Fairness Report is being issued in accordance with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, on the valuation of the proposed Scheme of Arrangement. This certificate has been issued for the sole purpose to facilitate the companies to comply with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it shall not be valid for any other purpose.

COMPANY BACKGROUND

Kkalpana Industries (India) Limited / Demerged Company is a public limited company incorporated under the provisions of Companies Act, 1956 on September 03, 1985 bearing Corporate Identification Number L19202WB1985PLC039431. The registered office of the Demerged Company is situated at 2B Pretoria Street Kolkata - 700 071. The equity shares of the Demerged Company are listed on BSE & CSE. The capital Structure of the Demerged Company as on December 07, 2020 is as under:

Sundae Capital Advisors Private Limited

SUNDAE

Particulars	Amount (INR)
Authorized Share Capital	
153,000,000 Equity Shares of INR 2 each	306,000,000
Total	**306,000,000**
Issued, Subscribed and Paid Up Share Capital	
94,072,930 Equity Shares of INR 2 each fully paid up	188,145,860
Total	**188,145,860**

The Demerged Company has the following business undertakings:

- Compounding Business Undertaking; and
- Reprocessing Business Undertaking

Ddev Plastiks Industries Limited / Resulting Company is a public limited company incorporated under the provisions of Companies Act, 2013 on December 07, 2020 bearing Corporate Identification Number U24290WB2020PLC241791. The registered office of the Resulting Company is situated at 2B, Pretoria Street, Kolkata - 700 071. The equity shares of the Resulting Company are currently not listed on any stock exchange. The Resulting Company is a wholly owned subsidiary of the Demerged Company. The capital structure of the Resulting Company as on December 07, 2020 is as under:

Particulars	Amount (INR)
Authorized Share Capital *	
150,000 Equity Shares of INR 10 each	1,500,000
Total	**1,500,000**
Issued, Subscribed and Paid Up Share Capital *	
10,000 Equity Shares of INR 10 each fully paid up	1,00,000
Total	**1,00,000**

* As per the Clause 16.09 to 16.11 of the draft Scheme, as an integral part of the Scheme and upon coming into effect of the Scheme, the face value per equity share of the Resulting Company shall be sub-divided from existing INR 10 (Rupees Ten) per share to INR 1 (Rupees One) per share and the authorized equity share capital of the Resulting Company shall automatically stand altered, including increase of authorized share capital from present INR 1,500,000 (comprising of 150,000 Equity Shares of INR 10 each) to INR 101,500,000 (comprising of 101,500,000 equity shares of INR 1 each).

SUMMARY OF PROPOSED TRANSACTION

The management of the Demerged Company is proposing to restructure the business of the Demerged Company by way of a Scheme of Arrangement whereby the Compounding Business Undertaking of the Demerged Company will be demerged into the Resulting Company as a going concern with effect from the Appointed Date. The transaction is proposed through a Scheme of Arrangement under Section 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013.

Pursuant to the Scheme, the Resulting Company will issue its equity shares to the shareholders of the Demerged Company as a consideration to transfer the Compounding Business Undertaking of the Demerged Company engaged in manufacturing of plastic compounds. Further, the investment of the Demerged Company in the Resulting Company shall stand cancelled.

SUNDAE

As presented by Management, the transfer and vesting by way of a demerger shall achieve the following benefits for the Demerged Company and the Resulting Company, as also mentioned in the Scheme of Arrangement:

"The underlying business rationale and objectives are as follows:

1. *The Demerged Undertaking and the Remaining Undertaking have their own set of strengths and dynamics in the form of nature of risks, competition, challenges, opportunities and business methods, leading to different growth potentials. Hence, segregation of the two undertakings would enable a focused management to explore the potential business opportunities effectively and efficiently;*

2. *The demerger would result in achieving efficiency in operational processes by designing and implementing independent strategies specifically designed for the two businesses and in optimizing profitability. This would in turn enhance the shareholders' wealth.*

3. *Targeting and attracting new investors with specific focus and expertise in the two businesses, thereby providing the necessary funding impetus to the long-term growth strategy of the two businesses;*

4. *The Compounding Business Undertaking of the Demerged Company is an old and diverse undertaking, that caters to a range of sectors viz., housing wiring, high voltage cables, packaging, white goods, automotive, footwear, to name a few. The Compounding Business Undertaking has proved its significant resistance to market volatility over the years and therefore, on a standalone basis, it has scope for enhanced valuation and entry of strategic domestic / international players by way of technological tie-ups / direct acquisition of stake in the business. Hence, demerger of the Compounding Business Undertaking would help in targeting and attracting new investors with specific focus and expertise in the business, thereby providing the necessary funding impetus to the long-term growth strategy of the businesses.*

5. *The remaining Undertaking of the Demerged Company, inter alia, comprises of a Reprocessing Business Unit located in Falta, West Bengal, and it holds a license for reprocessing of plastic waste which has restriction on transferability. A similar license is also held in a Dubai based wholly owned subsidiary ['WOS'] of the Demerged Company. Since ultimate ownership of such licenses relating to the Remaining Undertaking rests with the Demerged Company, the Reprocessing Business Undertaking along with its corresponding licenses as aforesaid, would be continued to be retained by the Demerged Company.*

6. *Further, given the recent international trends and demand for recycling of plastics (recognized as upcycling across the world), the Reprocessing Business Undertaking has significant long-term growth prospects. Moreover, growth potential of the Reprocessing Business Undertaking is substantially high. Hence, demerger of the Compounding Business Undertaking would also enhance the standalone valuation for Reprocessing Business Undertaking. Such higher growth and valuation potentials would be attractive to specific set of strategic domestic / international players who would look to target direct acquisition of stake in the business. The transfer and vesting of the*

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Demerged Undertaking to the Resulting Company will enable better focus and management of the Demerged Undertaking and the Remaining Undertaking.

7. *The Reprocessing Business Undertaking is a debt free unit and has significantly lower working capital requirement as compared to the Compounding Business Undertaking. Hence, demerger of the Compounding Business Undertaking would help in independently managing the different funding requirements of the two business, both in terms of type of funds and amount of infusion required for the businesses.*

8. *As part of expansion plans for Reprocessing Business Undertaking, the Demerged Company intends to explore chemical recycling and other recycling activities, which are also expected to attract strategic domestic and international investors.*

   Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE. Therefore, the existing shareholders of the Demerged Company would hold the shares of two listed entities after the Scheme becoming effective. Such shareholders would then be able to choose whether they want to remain invested in either or both the businesses / operations of the Demerged Company, giving them flexibility in managing their investment in the two businesses having differential dynamics."

SOURCE OF INFORMATION AND REPRESENTATIONS

For the purpose of forming our opinion on the Share Entitlement Report, we have relied on the discussions with the Management of the Demerged Company and the following information and documents made available to us:

- Valuation Report dated December 09, 2020 by Mr. Abhinav Agarwal, Registered Valuer;
- Memorandum and Articles of Association of the Demerged Company and the Resulting Company;
- Audited Financial Statements of the Demerged Company for the Financial Years ended on March 31, 2020, 2019 and 2018 and limited reviewed financial statements for the six months period ended September 30, 2020;
- Unaudited carved out financials of Demerged Undertaking as on March 31, 2020;
- The audited financial statements of the Resulting Company for the period December 07, 2020 (incorporation date) to December 09, 2020;
- Draft Scheme of Arrangement for the proposed transaction;
- Other information as available in public domain.

We have obtained explanations and information considered reasonably necessary for our exercise, from the executives and representatives of the Demerged Company. Our analysis considers those facts and circumstances present at the Demerged Company and Resulting Company at the date of this Fairness Opinion. Our opinion could be different if another date was used.

EXCLUSIONS AND LIMITATIONS

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Demerged Company for the purpose of this opinion. With respect to the estimated financials, if any, provided to us by the management, we have assumed that such financials were prepared in good faith and reflect the best currently available estimates and judgments by the management of the Demerged Company. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of the Demerged Company or the Resulting company. We have solely relied upon the information provided to us by the management. We have not reviewed any books or records of the Demerged Company or the Resulting company (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Demerged Company or the Resulting Company and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Demerged Company or the Resulting Company. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by the Demerged Company or the Resulting Company for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the Demerged Company or the Resulting Company with respect to these matters. In addition, we have assumed that the Proposed Scheme of Arrangement will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Proposed Scheme of Arrangement.

We understand that the managements of the Demerged Company or Resulting Company during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that the Demerged Company or the Resulting company may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving the Demerged Company or the Resulting company or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to the Demerged Company or the Resulting company for providing a fairness opinion on the proposed transaction and will receive professional fees for our services. In the ordinary course of business, Sundae is engaged in merchant banking business including corporate advisory, re-structuring, valuations, etc. We may be providing various other unrelated independent professional advisory services to the Demerged Company or the Resulting company in the ordinary course of our business.

It is understood that this letter is solely for the benefit of and use by the Board of Directors of the Demerged Company or the Resulting company for the purpose of this transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law. Statute, Act, guideline or similar instruction. Management should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatsoever and make no recommendation at all as to the Demerged Company or the Resulting company underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Demerged Company or the Resulting company should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of the Demerged Company or Resulting Company will trade following the announcement of the transaction or as to the financial performance of the Demerged Company or the Resulting Company following the consummation of the transaction.

In no circumstances however, will Sundae or its associates, directors or employees accept any responsibility or liability to any third party. Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with the Demerged Company.

OUR OPINION

With reference to above and based on information and explanation provided by the management representative of Demerged Company and after analyzing the Draft Scheme of Arrangement, we understand that since Resulting Company is wholly owned subsidiary of Demerged Company, the set of shareholders and holding proportion being proposed for the Resulting Company is identical to the Demerged Company, the beneficial economic interest of the shareholders of the Demerged Company will remain identical / same in the Resulting Company, at the time of demerger. Hence, this demerger being value neutral to the shareholders of the Demerged Company, the Valuer has recommended the share entitlement ratio as under:

"1 (one) fully paid up equity shares of INR 1/- each of the Resulting Company, for every 1 (one) fully paid up equity shares of INR 2/- each in the Demerged Company."

Based on the information, data made available to us, including the Share Entitlement Report of Mr. Abhinav Agarwal, Registered Valuer, to the best of our knowledge and belief, the entitlement ratio arrived at by Mr. Abhinav Agarwal, Registered Valuer under the Draft Scheme of Arrangement, in our opinion, is fair considering that all the shareholders of the Demerged Company are and will upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio (inter se) as they hold shares in the Demerged Company, as on record date to be decided by the Management of the Demerged Company.

The aforesaid Scheme of Arrangement shall be subject to the receipt of approvals from NCLT and other statutory authorities as may be required. The detailed terms and conditions are more fully set forth

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in the Draft Scheme of Arrangement. Sundae has issued this Fairness Opinion with the understanding the Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion shall not stand good in case the final Scheme of Arrangement alters the transaction.

*For **Sundae Capital Advisors Private Limited***
(SEBI Regn. No. INM000012494)

NitiN Somani
Director

Kkalpana Industries (India) Limited

Date: 13th February, 2021
To
The Manager,
Listing Department,
BSE Limited
PJ Towers, Dalal Street,
Mumbai - 400 001.

Fax: 022 - 2272 3121/2037/39/41/61/1072

Sub: Outcome of (05th of 2020-21) Board Meeting.
Ref: Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sirs

As informed to you earlier vide our letter dated 06.02.2021, the (05th of 2020-21) meeting of the Board of Directors of the Company was held on Saturday, the 13th day of February, 2021, commenced at 12.30 P.M. (IST) and concluded at 02:45 P.M. (IST) in this meeting, the Board have amongst other matters considered, approved and took on record the following:

- Statement of Un-Audited Standalone & Consolidated Financial Results for the 03rd quarter and nine months ended 31st December, 2020.
- Auditor's Limited Review Report on Un-audited Standalone & Consolidated Financial Results for the 03rd quarter and nine months ended 31st December, 2020.
- M/s Plastic Processors and Exporter Private Limited had ceased to be the subsidiary of the Company wef 17.12.2020, on account of transfer of its shares held by the Company to M/s BBigplas Poly Pvt. Ltd., as approved at Board Meeting held on 11.12.2020 and also intimated to the Stock Exchange on same day.
- Increment, in prescribed scale of Rs. 25000 per month, in the monthly remuneration payable to Mr. Dev Krishna Surana (DIN: 08357094), Whole Time Director of the Company, for the FY 2021-22, as recommended by Nomination and Remuneration Committee
- Re-appointment of Mr. Rajesh Kumar Kothari (DIN: 02168932), as Whole Time Director of the Company for a period of 5 years, wef 12.08.2021, as recommended by Nomination and Remuneration Committee, subject to approval of members of the Company.
- Recommend to the members the re-appointment of Mr. Dev Krishna Surana (DIN: 08357094), as Director, who retires by rotation at the ensuing AGM and being eligible offered himself for re-appointment as Director, as also recommended by Nomination and Remuneration Committee

A copy of Statement of Un-audited Standalone and Consolidated Financial Results along with Auditor's Limited Review Report thereon for the for the 03rd quarter and nine months ended 31st December, 2020, as required by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is enclosed herewith for your record and reference.

The said results will be duly published in the newspaper as required by Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and will be uploaded on the website of the company (www.kkalpanagroup.com).

Kindly take the aforesaid information on record and oblige.

Thanking You,
Yours faithfully,
For **Kkalpana Industries (India) Limited**

Tanvi Panday

Tanvi Panday (Membership No. ACS 31176)
Company Secretary

Kolkata-71

CC: The Calcutta Stock Exchange Limited, 7 Lyons Range, Kolkata-700 001.

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Kkalpana Industries (India) Limited

BRIEF PROFILE OF DIRECTORS CONSIDERED TO BE RE-APPOINTED

Rajesh Kothari

Mr. Kothari, aged 56 years, a Graduate (B.Com) from Rajasthan University, Ajmer, has more than 28 years of experience in the areas of marketing, after sale service and market research. He started his career in the year 1985 with Kanoria Chemicals & Industries Limited. He has been associated with Kkalpana since and is currently a Whole Time Director in the Company whose office as Whole Time Director shall expire on 12.08.2021 and hence the Board approved his re-appointment as Whole Time Director of the Company for a period of 5 years from such date, subject to approval of members of the Company, based on the recommendation of Nomination and Remuneration Committee of the Company.

Dev Krishna Surana

Mr. Dev Krishna Surana, aged 27 years, is B.Com (Hons). He has also done MSC-Management for Business Excellence – from UK and MBA(CAM) from USA. His key skills are project management, Human Resource, Administration and Information Technology. He has been associated with KKalpana in various projects and was taken on the Board of Directors w.e.f. 11.02.2019 and is serving as Whole Time Director since 28.05.2019.

His office is liable to retire by rotation at the ensuing Annual General Meeting. Being eligble, he offered himself for re-appointment and the Board recommends his re-appointment at the snuing AGM, as recommended by the Nomination and Remuneration Committee also.

For Kkalpana Industries (India) Limited

Tanu Pandey

Company Secretary

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Kkalpana Industries (India) Limited

KKALPANA INDUSTRIES (INDIA) LTD.

Statement showing Unaudited Financial Results for the Quarter and Nine months ended 31st December, 2020 (STANDALONE)

(Rs. In Lacs)

S. No	Paricluars	Quarter Ended			Nine months Ended		Year Ended
		STANDALONE					
		31.12.20 (Unaudited)	30.09.20 (Unaudited)	31.12.19 (Unaudited)	31.12.20 (Unaudited)	31.12.19 (Unaudited)	31.03.20 (Audited)
	Income						
1	Revenue from Operations	43,291.95	39,769.83	46,281.75	1,05,924.23	1,37,165.37	1,76,221.02
2	Other Income	500.61	403.99	456.31	1,110.23	1,129.54	1,370.75
3	**Total Income (1+2)**	**43,792.56**	**40,173.92**	**46,738.06**	**1,07,034.46**	**1,38,294.91**	**1,77,591.77**
4	**Expenses**						
	a. Cost of Materials Consumed	36,943.17	34,561.73	40,678.97	90,245.78	1,19,807.11	1,53,134.87
	b. Changes in Inventories of Finished Goods	(209.89)	257.88	(124.26)	1,203.40	152.50	(38.89)
	c. Employee benefit expenses	765.18	801.33	927.35	2,207.50	3,063.99	3,898.66
	d. Finance costs	915.58	893.28	1,051.80	2,586.66	3,445.11	4,540.74
	e. Depreciation and amortisation expenses	332.61	304.44	306.72	939.56	913.10	1,215.25
	f. Other expenses	4,122.00	2,772.46	2,913.85	8,328.24	8,583.89	11,808.53
	Total Expenses	**42,868.65**	**39,591.12**	**45,954.43**	**1,05,511.14**	**1,35,965.70**	**1,74,559.16**
5	**Profit/(loss) before exceptional and Extra ordinary items and tax (3-4)**	**923.91**	**582.80**	**783.63**	**1,523.32**	**2,329.21**	**3,032.61**
6	Exceptional items	-	-	-	-	-	-
7	**Profit/(loss) before Extra ordinary Items and tax (5+6)**	**923.91**	**582.80**	**783.63**	**1,523.32**	**2,329.21**	**3,032.61**
8	Extraordinary items	-	-	-	-	-	-
9	**Profit/(loss) before tax (7+8)**	**923.91**	**582.80**	**783.63**	**1,523.32**	**2,329.21**	**3,032.61**
10	Tax expenses						
	a. Tax for earlier years	24.08	-		24.08	30.02	(178.97)
	b. Current Tax	229.97	129.61	301.82	359.58	679.12	680.46
	c. Deffered tax	164.21	(25.39)	8.01	148.89	184.45	(532.67)
11	**Profit/(loss) for the period (9-10)**	**505.66**	**478.58**	**473.80**	**990.77**	**1,435.62**	**3,063.79**
12	Other comprehensive Income						
	A (i) Items that will not be reclassified to Profit or Loss	-	-	-	-	-	(26.78)
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-	-	9.27
	B (i) Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to Profit or Loss	-	-	-	-	-	-
	Other comprehensive Income	-	-	-	-	-	(17.51)
13	**Total Comprehensive Income for the period (11+12)**	**505.66**	**478.58**	**473.80**	**990.77**	**1,435.62**	**3,046.28**
14	Earning per equity share (not annualised)						
	- Basic	0.54	0.51	0.50	1.05	1.53	3.26
	- Diluted	0.54	0.51	0.50	1.05	1.53	3.26
15	Paid up equity share capital (Face value per share of Rs. 2/-each)	1,881.46	1,881.46	1,881.46	1,881.46	1,881.46	1,881.46

Kkalpana

Kkalpana Industries (India) Limited

Notes:

1 The Financial Results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard – 34 ("Interim Financial Reporting") notified u/s 133 of the Companies Act, 2013. The above results, for the quarter and nine months ended 31st December, 2020, have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 13th February, 2021, in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2 The company is engaged primarily in the business of different grades of plastic granules which constitute single reporting segment. Accordingly, the company is a single segment company in accordance with "Indian Accounting Standards 108 Operating Segment".

3 The Financial Results for the quarter and nine months ended 31st December, 2020 have been subjected to limited review by the statutory auditors. The auditors have expressed an un-modified opinion on the financial results, as referred above, in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4 The company has already chosen to exercise the option permitted under section 115BAA of the Income Tax Act, 1961. Accordingly, the company has recognised provisions for current and deferred tax at the rates prescribed in this section.

5 The code on Social Security, 2020 (CODE), which recently received the Presidential Assent, subsumes 9 laws relating to social security, retirement and employee benefits, including Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the payment of Gratuity Act, 1972. The effective date of the code is yet to be notified and related rules are yet to be framed. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.

6 The above quarterly and nine months ended 31st December, 2020 financial results are available on the company's website at www.kkalpanagroup.com and also on the website of the Bombay Stock Exchange i.e www.bseindia.com and Calcutta Stock Exchange i.e www.cse-india.com.

7 The figures for the corresponding previous period has been regrouped/reclassified wherever necessary, to conform to the current period figures.

For Kkalpana Industries (India) Ltd

Place : Kolkata

Date: 13th February, 2021

Dev Krishna Surana (DIN: 08357094)

Whole Time Director

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Kkalpana Industries (India) Limited

KKALPANA INDUSTRIES (INDIA) LTD.

Statement showing Unaudited Financial Results for the Quarter and Nine months ended 31st December, 2020 (CONSOLIDATED)

Rs. In Lacs

S. No	Pariculars	Quarter Ended			Nine months Ended		Year Ended
		CONSOLIDATED					
		31.12.20 (Unaudited)	30.09.20 (Unaudited)	31.12.19 (Unaudited)	31.12.20 (Unaudited)	31.12.19 (Unaudited)	31.03.20 (Audited)
	Income						
1	Revenue from Operations	43,292.30	39,769.93	46,232.27	1,05,930.34	1,35,690.22	1,74,469.56
2	Other Income	668.39	403.99	453.38	1,279.84	1,031.34	1,272.36
3	**Total Income (1+2)**	**43,960.69**	**40,173.92**	**46,685.65**	**1,07,210.18**	**1,36,721.56**	**1,75,741.92**
4	**Expenses**						
	a. Cost of Materials Consumed	36,943.17	34,561.73	40,762.79	90,245.78	1,17,897.14	1,50,937.99
	b. Changes in Inventories of Finished Goods	(209.89)	257.88	(127.21)	1,203.40	196.97	10.77
	c. Employee benefit expenses	766.19	802.84	940.54	2,211.53	3,225.17	4,064.84
	d. Finance costs	915.81	893.28	1,052.06	2,586.89	3,446.05	4,541.75
	e. Depreciation and amortisation expenses	333.07	304.96	307.24	941.07	919.03	1,221.70
	f. Other expenses	4,136.98	2,776.23	2,953.49	8,349.18	8,757.26	11,990.96
	Total Expenses	**42,886.32**	**39,596.92**	**45,888.91**	**1,05,537.85**	**1,34,441.62**	**1,72,768.00**
5	**Profit/(loss) before exceptional and Extra ordinary items and tax (3-4)**	**1,076.37**	**577.00**	**796.74**	**1,672.33**	**2,279.94**	**2,973.91**
6	Share of Profit /(loss) of Associate	2.56	1.02	0.02	3.84	1.01	0.19
7	**Profit/(loss) before Extra ordinary items and tax (5+6)**	**1,077.93**	**578.02**	**796.76**	**1,676.17**	**2,280.95**	**2,974.09**
8	Extraordinary Items	-	-	-			-
9	**Profit/(loss) before tax (7+8)**	**1,077.93**	**578.02**	**796.76**	**1,676.17**	**2,280.95**	**2,974.09**
10	Tax expenses						
	a. Tax for earlier Years	24.08		-	24.08	30.02	(178.97)
	b. Current Tax	229.97	128.75	301.82	359.58	679.12	680.46
	c. Mat Credit Entitlement	-	-	-	-	-	(8.38)
	d. Deffered tax	164.21	(25.41)	8.13	148.89	175.60	(541.50)
11	**Profit/(loss) for the period (9-10)**	**659.67**	**474.68**	**486.81**	**1,143.62**	**1,396.21**	**3,022.48**
12	Other comprehensive Income						
	A(i) Items that will not be reclassified to Profit or Loss	-	-	-	-	-	(26.78)
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-	-	9.27
	B(i) Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to Profit or Loss	-	-	-	-	-	-
	Other comprehensive Income	-	-	-	-	-	(17.51)
13	**Total Comprehensive Income for the period (11+12)**	**659.67**	**474.68**	**486.81**	**1,143.62**	**1,396.21**	**3,004.97**

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CIN : L19202WB1985PLC039431

Kkalpana Industries (India) Limited

14	**Profit/ (Loss) for the Year Attributable to :-**						
	Equity Holders of the Parent	659.67	474.68	486.81	1,143.62	1,396.21	3,022.48
	Non Controlling Interest	-	-	-	-	-	-
		659.67	474.68	486.81	1,143.62	1,396.21	3,022.48
15	**Total Comprehensive Income for the year**						-
	Equity Holders of the Parent	659.67	474.68	486.81	1,143.62	1,396.21	3,004.97
	Non Controlling Interest	-	-	-	-	-	-
		659.67	474.68	486.81	1,143.62	1,396.21	3,004.97
16	**Earning per equity share**						
	- Basic	0.70	0.50	0.52	1.22	1.48	3.21
	- Diluted	0.70	0.50	0.52	1.22	1.48	3.21
17	Paid up equity share capital (Face value per share of Rs. 2/-each)	1,881.46	1,881.46	1,881.46	1,881.46	1,881.46	1,881.46

Notes:

1 The Consolidated Financial Results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard – 34 ("Interim Financial Reporting") notified u/s 133 of the Companies Act, 2013. The above results for the quarter and nine month ended 31st December, 2020 have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 13th February, 2021, in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2 The company is engaged primarily in the business of different grades of plastic granules which constitute single reporting segment. Accordingly, the company is a single segment company in accordance with "Indian Accounting Standards 108 Operating Segment".

3 The standalone and the consolidated Financial Results for the quarter and nine months ended, 31st December, 2020 have been subjected to limited review by the statutory auditors. The auditors have expressed an un-modified opinion on the standalone and the consolidated financial results, as referred above, in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4 The code on Social Security, 2020 (CODE), which recently received the Presidential Assent, subsumes 9 laws relating to social security, retirement and employee benefits, including Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the payment of Gratuity Act, 1972. The effective date of the code is yet to be notified and related rules are yet to be framed. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.

5 The Consolidated Results include Results of :-
(a) the company's wholly owned Subsidiary Company viz. "Plastic Processors and Exporters Pvt. Ltd."
(b) the company's wholly owned Subsidiary Company viz "Ddev Plastiks Industries Ltd."
(c) the company's wholly owned foreign Subsidiary Company viz " Kkalpana Plastic Reprocess Industries Middleeast FZE" and
(d) the Associate company "Kkalpana Plastick Limited" in which the company holds 36.23% of its paid up Equity share capital.

The Company has disposed off its investment in Plastic Processors and Exporters Pvt. Ltd. on 17th December, 2020 giving rise to profit on disposal of investment in wholly owned subsidiary company amounting to Rs 1.67 crores. Hence, the above results includes the results of wholly owned subsidiary company viz Plastic Processors and Exporters Pvt. Ltd.upto the date of disposal. The company has made fresh strategic investments in Ddev Plastiks Industries Ltd. and Kkalpana Plastic Reprocess Industries Middleeast FZE.

6 The above Consolidated financial Results for the quarter and nine months ended 31st December, 2020 are available on the company's website at www.kkalpanagroup.com and also on the website of the Bombay Stock Exchange i.e www.bseindia.com and Calcutta Stock Exchange i.e www.cse-india.com.

7 The figures for the corresponding previous period has been regrouped/reclassified wherever necessary, to conform to the current period figures.

For Kkalpana Industries (India) Ltd

Place : Kolkata
Date: 13th February, 2021

Dev Krishna Surana (DIN: 08357094)
Whole Time Director

Regd. Office : 2B, Pretoria Street, Kolkata - 700 071
Tel. : +91-33-2282 3744/45/3671/99, Fax : +91-33-2282 3739, E-mail : kolkata@kkalpana.co.in
Mumbai Office : 106, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053, India
Tel.: +91-22-67021470/71/72, Fax : +91-22-6702 1473 E-mail : mumbai@kkalpana.co.in
www.kkalpanagroup.com
CIN : L19202WB1985PLC039431

B. Mukherjee & Co.
CHARTERED ACCOUNTANTS

308, Ramkamal Street,
Kolkata – 700023
Ph. : 2455-4888, 2459-6310
Fax : (033) 2455-4888, 2455-3601
E-mail : bmukherjeeco@gmail.com
bmukherjeec@rediffmail.com
Kolkata Branch Office:
28A, Subarban School Road,
Kolkata – 700 025
Other Branch Offices:
Siliguri ★ Berhampore ★ Guwahati ★ Patna

Limited Review Report on Unaudited Standalone Financial Results of Kkalpana Industries (India) Limited for the quarter ended and nine months ended 31st December, 2020, pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.

To
The Board of Directors,
Kkalpana Industries (India) Ltd.
2B, Pretoria Street.
Kolkata -700071

1. We have reviewed the accompanying statement of unaudited standalone financial results of M/s. Kkalpana Industries (India) Limited ("the Company") for the quarter ended 31st December, 2020 and year to date results for the period from 1st April,2020 to 31st December, 2020 ('the Statement'), attached herewith. The statement is being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulation), as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors at its meeting held on February 13, 2021, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Statutory Auditor of the Entity," issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted, as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the applicable Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there under and other recognized accounting principles practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Place :- Kolkata

Date:- 13th Day of February, 2021

B. MUKHERJEE & CO. 308, Ram Kamal St. Kol-23 Chartered Accountants

S. K. Mukherjee
(Partner)
Mem No : 006601
UDIN: 21006601AAAACG6170

B. Mukherjee & Co.
CHARTERED ACCOUNTANTS

30B, Ramkamal Street,
Kolkata – 700023
Ph. : 2455-4888, 2459-6310
Fax : (033) 2455-4888, 2455-3601
E-mail : bmukherjeeco@gmail.com
bmukherjeec@rediffmail.com
Kolkata Branch Office:
28A, Subarban School Road,
Kolkata – 700 025
Other Branch Offices:
Siliguri ★ Berhampore ★ Guwahati ★ Patna

Limited Review Report on Unaudited Consolidated Financial Results of Kkalpana Industries India Limited for the quarter and nine months ended 31st December, 2020 pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.

To,
The Board of Directors,
Kkalpana Industries (India) Ltd.
2B, Pretoria Street.
Kolkata -700071

1. We have reviewed the accompanying statement of unaudited Consolidated Financial Results of **M/s. Kkalpana Industries (India) Limited** (hereinafter referred to as the "Parent Company") and its subsidiary and associate (hereinafter referred to as the "Group") for the quarter ended 31st December, 2020 and year to date results for the period from April 01,2020 to December 31, 2020 ('the statement') attached herewith , being submitted by the Parent Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

2. This statement, which is the responsibility of the Parent Company's Management and approved by the Parent Company's Board of Directors, at its meeting held on 13th February, 2021 has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 ''Interim Financial Reporting'' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Statutory Auditor of the Entity," issued by the Institute of Chartered Accountants of India . This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free from material misstatement. A review of interim financial information consists of making enquiries primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

B. Mukherjee & Co. 30B, Ramkamal Street, Kol-23 Chartered Accountants

4. The statement includes the financial results of entities given below:

   i. Subsidiary Company :-
      (a) Plastic Processors and Exporter Private Limited. (In which the Parent Company holds 100% Share)
      (b) Ddev Plastik Industries Limited. (In which the Parent Company holds 100% Share)
      (c) Kkalpana Plastic Reprocess Industries Middleeast FZE (In which the Parent Company holds 100% Share)

   ii Associate Company :- Kkalpana Plastik Limited (Parent Company holds 36.23% share)
   (Refer Note No 5 to Financial Results)

5. Based on our review conducted and procedure performed as stated in para 3 above and based on the consideration of the review report of the other auditor referred to in para 6 and 7 below , nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with the applicable Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the unaudited financial statement of M/s Plastic Processors and Exporter Private Limited, (Subsidiary of a Parent Company) included in the Consolidated Unaudited Financial Statements, whose financial statements reflect total income of Rs 0.35 lacs and Rs.7.94 lacs, net profit/ (loss) after tax of Rs. (2.26) lacs and Rs. (4.72) lacs for the period ended 17th December, 2020 and for the period from April 1, 2020 to December 17, 2020 respectively, as considered in the statement. These financial statements have been reviewed by other auditors whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the amount and disclosures included in respect of the said subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

7. We did not review the unaudited financial statement of M/S Kkalpana Plastick Limited (Associate of Parent Company) included in the Consolidated Unaudited Financial Statements, whose financial statements reflect total income of Rs 10.80 lacs and Rs.34.88 lacs, net profit/ (loss) after tax of Rs. 7.07 lacs and Rs. 10.60 lacs for the ended 31st December, 2020 and for the period from April 1, 2020 to December 31, 2020 respectively, as considered in the statement. These financial statements have been reviewed by other auditors whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the amount and disclosures included in respect of the said associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

8. We did not review the unaudited financial statement of M/S Ddev Plastick Industries Limited (Subsidiary of Parent Company) included in the Consolidated Unaudited Financial Statements, whose financial statements reflect total income of NIL, net profit/ (loss) after tax of NIL for the quarter ended 31st December, 2020 and for the period from April 1, 2020 to December 31, 2020 respectively, as considered in the statement. These financial statements have been reviewed by other auditors whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the

B. MUKHERJEE & CO. 30B, Rani Kamal Kol-27

9. We did not review the unaudited financial statement of M/S Kkalpana Plastics Reprocess Industries Middleeast FZE (Subsidiary of Parent Company) included in the Consolidated Unaudited Financial Statements, whose financial statements reflect total income of NIL, net profit/ (loss) after tax of Rs. (14.04) lacs and Rs. (14.04) lacs for the quarter ended 31st December, 2020 and for the period from April 1, 2020 to December 31, 2020 respectively, as considered in the statement. These financial statements have been reviewed by other auditors whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the amount and disclosures included in respect of the said associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the statement is not modified in respect of the above matters referred in para 6,7,8 and 9.

For B.Mukherjee & Co.,

Chartered Accountants
Firm Registration No : 302096E

S. K. Mukherjee
(Partner)
Mem No : 006601
UDIN: 21006601AAAACH4549

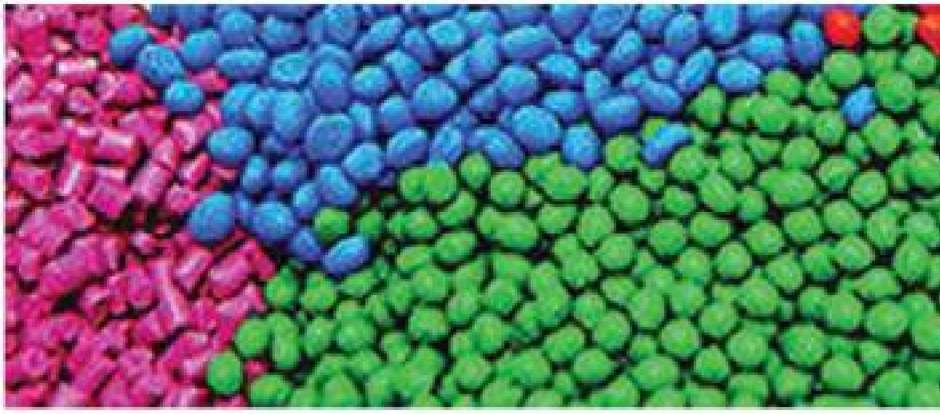
Place :- Kolkata

Date :- 13th Day of February, 2021

Annexure 6

KKALPANA INDUSTRIES (INDIA) LIMITED

Leading Manufacturer of Compounds



ANNUAL REPORT 2019-2020

PRODUCT RANGE

PE Compounds

Silane Grafted XLPE Compound upto 1. 1KV.
(LT / LT ABC / FR / AMBIENT CURE)
Silane Grafted XLPE Compound for MV upto 36KV.
XLPE Compound for CCV Line upto 66KV.
PE Sheathing and Insulation
Semi-Conductive Compounds
HFFR Compounds

PVC Compounds

Insulation Sheathing Speciality Grades : FRLS Anti Termite Anti Rodent Oil Resistant Grades Auto Harness Cable Grades Data and Communication Cable Grades ROHS & REACH Compliant Grades

Filled Compounds

Calcium Carbonate and Talc filled in PE, PP and HDPE

Master Batches

Colour Master Batches - 1000 shades to choose from
Speciality Master Batches - UV Antioxidant Processing Aid Optical Brightner etc.

Footwear Compounds

PVC TPR NBR

Pipe Compounds

PE PEX

Engineering Plastics

Nylon - Glass & Mineral Filled PP - Glass & Mineral Filled
ABS Compound PC Compound

Upcycling

LDPE LLDPE/ PP/ granules and Agglomerates

We service customer in
Algeria, Argentina, Brazil, Bangladesh, Croatia, Egypt, Saudi Arabia, South Africa, Srilanka ,India, Nepal, Oman, Portugal, UAE

Corporate Information

Board of Directors *(As on 29th June, 2020)*

Chairman and Managing Director
Mr. Narrindra Suranna

Whole-Time-Directors
Mr. Rajesh Kothari
Dr. P.R.Mukherjee
Mr. Dev Krishna Surana

Non- Executive Independent Directors
Mr. Ramakant Mishra (till 27th February, 2020)
Mrs. Mamta Binani
Mr. Samir Kumar Dutta
Mrs. Ramya Hariharan

Senior President
Mr. Jitendra Tiwari

Chief Financial officer
Mr. I. C. Dakalia

Company Secretary
Ms. Tanvi Panday

Plant Location
Bhasa, Diamond Harbour Road (W.B.)
Falta SEZ, (W.B.)
Daman (Daman & Diu, Union Territory)
Dadra I, II &III (Dadra & Nagar Haveli, Union Territory)
Surangi, (Dadra & Nagar Haveli, Union Territory)

Auditors

Statutory Auditor
M/s B.Mukherjee & Co.
Chartered Accountants

Internal Auditor
M/s D K D & Associates
Chartered Accountants

Cost Auditor
M/s. D. Sabyasachi & Co
Practicing Cost Accountant

Secretarial Auditor
Mr. Ashok Kumar Daga
Practicing Company Secretary

Bankers

State Bank of India	IDFC First Bank
HDFC Bank	IndusInd Bank
Axis Bank	The RBL Bank
Federal Bank	Corporation Bank

Registered Office
2B, Pretoria Street,
Kolkata – 700 071
Tel: 91 – 33- 2282 3744 / 3745
Fax: 91 – 33 – 2282 3739
E mail : kolkata@kkalpana.co.in
www.kkalpanagroup.com

Registrar & Share Transfer Agent
M/s. C B Management Services (P) Ltd.
(Unit Kkalpana Industries(India) Ltd),
P-22, Bondel Road,
Kolkata – 700 019
Tel: 91 – 33 – 2280 6692 / 93/94/2486 /4011 6700
Fax : 033 2287 0263
E Mail : rta@cbmsl.com

Contents

Annual General Meeting*: 29th September, 2020 : 11.00A.M. (IST) : Through Video Conference/ Other Audio Visual Means*
Deemed Place of Meeting: 2B, Pretoria Street, Kolkata - 700071
***Book Closure Dates**: 23rd September, 2020 to 29th September, 2020 (both days inclusive)*

BOARD OF DIRECTORS

Narrindra Suranna

Mr. Narrindra Suranna, aged 58 years, is a B.Com (Hons.), and L.L.B from Calcutta University. Currently, he is holding the position of Chairman & Managing Director of the Company. He has been associated with the Company since inception. He has got wide experience in Plastic Industry. Due to his effective leadership, the Company has been able to achieve stupendous growth.

Rajesh Kothari

Mr. Kothari, aged 56 years, a Graduate (B.Com) from Rajasthan University, Ajmer, has more than 28 years of experience in the areas of marketing, after sale service and market research. He started his career in the year 1985 with Kanoria Chemicals & Industries Limited. He has been associated with Kkalpana since 1997.

Pranab Ranjan Mukherjee

Dr. Pranab Ranjan Mukherjee aged 74 Years, is a Gold Medalist in M.sc and has done his Ph.D from I.I.T, Kharagpur. He has five years of Academic Research Experience in the fields of Synthetic and Mechanistic Organic Chemistry. He started his career in the year 1975 at INCAB Industries Limited as General Manager (Works). He also served as Director (Operations) at Polylink Polymers India Limited and Siechem Industries, Puduchery. He received various awards in his long career. He has been associated with Kkalpana since 2009 and currently holding the position of Whole Time Director. He has over 41 years of Experience in plastic and polymers Industries.

Dev Krishna Surana

Mr. Dev Krishna Surana, aged 27 years, is B.Com (Hons). He has also done MSC-Management for Business Excellence – from UK and MBA(CAM) from USA. His key skills are project management, Human Resource, Administration and Information Technology. He has been associated with KKalpana in various projects and was taken on the Board of Directors w.e.f. 11.02.2019 and is serving as Whole Time Director since 28.05.2019.

Ramakant Mishra (died on 27.02.2020)

Mr. Mishra , aged about 63 years, F.C.S, F.C.M.A and MBA, had more than 38 years of experience in corporate, Secretarial and Financial matters of various Companies. He had joined on the Board of Kkalpana in September, 2014 as an Independent Director.

Mamta Binani

Mrs. Binani, aged about 47 years, a Fellow Member of the Institute of Company Secretaries of India (ICSI), has 19 years of experience in corporate consultation & advisory, covering Due Diligence, Secretarial & Legal functions. She has been the first lady Chairperson (Eastern Region) of ICSI and has held the post of President of ICSI. She also serves Independent Directorship in various Companies. She Joined the Board of Kkalpana in September, 2014 as an Independent Director.

Samir Kumar Dutta

Mr. Dutta, aged about 76 years, is a Graduate in science from Calcutta University and a Fellow Member of the Institute of Cost Accountants of India (ICAI). He has over 31 years of experience in finance and additionally 11 years of experience in corporate consultation & advisory, covering Cost Audit and Tax matters. He Joined the Board of Kkalpana as Director in June, 2017 and was appointed as Independent Director w.e.f. 23rd September, 2017.

Ramya Hariharan

Mrs. Ramya Hariharan, aged 41 years, is a qualified Company Secretary and LLB. She has more than 17 years of experience in dealing with general corporate matters, mergers and acquisitions, projects, banking and finance and insolvency matters. She is the partner in charge of the eastern region of a reputed national law firm. She Joined the Board of Kkalpana in February, 2019 and was appointed as an Independent Director wef 27.09.2019.

Chairman's Statement

Dear Shareholders,

I feel greatly privileged to welcome you to the 35th Annual General Meeting of your company. The Annual Report and the Board's Report for the Financial Year ended 31st March, 2020 are with you. I am sure you must have gone through them in detail.

Global Economy

According to International Monetary Fund (IMF), the global economy has hit the worst recession since the great depression of the 1930s, due to raging pandemic that has nearly stalled all economic activities across the world. Global economic growth, which decelerated to 2.9% in 2019, is projected to contract sharply by -3% in 2020 For several reasons, the recovery of the global economy would be weaker than expected even if the pandemic (COVID-19) recedes for now. These reasons include lingering uncertainty about the return of the contagion, confidence failing to improve, establishments closure, massive job losses, purchasing power erosion and structural shifts in business and household behavior, leading to more supply chain disruptions and weak aggregate demand.

Indian Economy

The Indian economy exhibited signs of slowdown during the early part of 2020 with Gross Domestic Product (GDP) growth declining to 3.2% for the Financial Year 2019-20. The IMF has pegged India's GDP growth for 2020-21 at 1.9%. However, in its latest World Economic Outlook Report, the IMF projects a rebound in the growth of Indian Economy in FY 2021-22.

However, one good scenario is that India's Foreign Exchange Reserves stood at US $ 496 billion as at 31st March, 2020.

Scenario in Kkalpana Industries (India) Limited

Your company mainly caters to wires and cables, packaging, footwear and consumer durables. However, nearly all the manufacturing units, to which your company supplies its goods, have incurred precipitous contraction in production and consequently, your company's topline would be very adversely impacted in the current year i.e. 2020-21. Even then, your directors see light at the end of the tunnel because of your company's high grade Research and Development (R&D) and All India Marketing Network. I take the opportunity to inform the members that your Board of Directors has factored in the risk portfolios now being faced by your company. Concrete and effective steps are being taken to safeguard the topline and bottomline of your company.

The company's net revenue for the year ended 31st March, 2019 stood at Rs. 1762.21Crores as against Rs. 2020.83 Crores for the Financial Year 2018-19. Profit after tax, for the year under review, stands at Rs. 30.64 Crores, as against Rs. 25.62 Crores in the previous financial year. The Company's EPS is Rs. 3.26 as against Rs. 2.72 in the previous financial year.

Your Directors have recommended dividend of 6% per equity share of Rs. 2/- each for the Financial Year ended 31st March, 2020. The total outgo will be Rs. 112.89 lacs (approximately).

Acknowledgements

As we continue to embark on our transformation journey, I wish to express my heartfelt gratitude to the members of the Board for providing continuous support and guidance to maintain the highest standards of Corporate Governance and professionalism in running the day to day business of your company. I also place on record my appreciation to regulatory/statutory bodies, banks and financial institutions and particularly, the team members of the Company for their whole hearted efforts. My special thanks goes to you, dear members, for reposing your trust in the company and helping it to shape it is an institution of great stability. I also thank our various customers and suppliers, based at various parts of the country.

Thankyou.

With Best Regards,

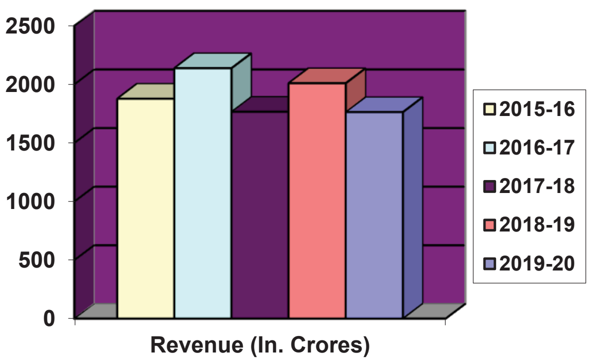
29th June, 2020
Kolkata

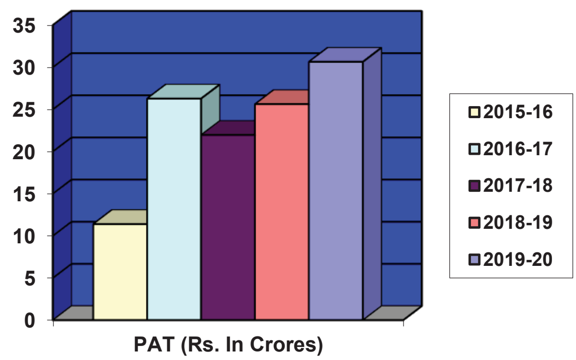
Narrindra Suranna
DIN:00060127
Chairman & Managing Director

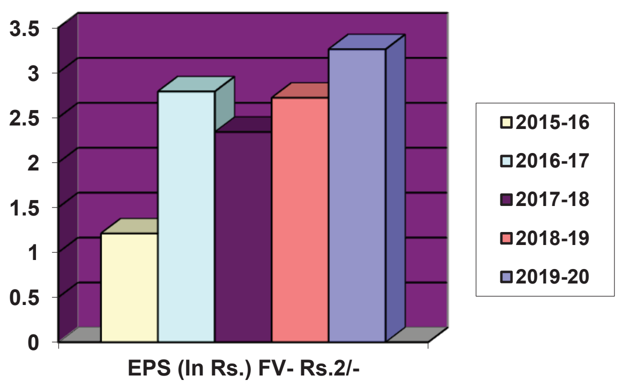
Five Years at a Glance

Rs. In Crores

Year	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Net Revenue	1876.58	2137.08	1765.33	2009.03	1762.21
PAT	11.39	26.28	21.97	25.62	30.64
EPS (Rs.)	1.21	2.79	2.34	2.72	3.26
Net Worth	241.75	274.01	295.80	318.53	346.28
Dividend (%)	0	0	12	12	6







NOTICE OF ANNUAL GENERAL MEETING.

NOTICE IS HEREBY GIVEN that the 35th (Thirty-fifth) Annual General Meeting of the Members of KKALPANA INDUSTRIES (INDIA) LIMITED will be held on Tuesday, the 29th day of September, 2020, at 11.00 A.M. (I.S.T) through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”), to transact the following Businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Balance Sheets as at 31st March, 2020 and the Statement of Profit & Loss Accounts and Cash Flow Statements for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend of Rs. 0.12p per Fully Paid up Equity Share of face value Rs. 2/- each (i.e @ 6%)
3. To appoint a Director in place of Mr. Rajesh Kumar Kothari (DIN 02168932), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

4. **Ratification of the Remuneration payable to the Cost Auditors of the Company for the Financial Year ended 31st March, 2021**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   “RESOLVED THAT pursuant to provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof) and the Companies (Audit and Auditors) Rules, 2014, (as amended from time to time and for the time being in force), the Company hereby ratifies the remuneration of Rs.30000/- plus taxes, as applicable, and out-of-pocket expenses incurred in connection with the Cost Audit, payable to M/s. D.Sabyasachi & Co (Firm Registration No. 000369)., Cost Accountant, who have been appointed as Cost Auditors of the Company by the Board of Directors on the recommendation of Audit Committee, to conduct Audit of the cost records of the Company for the Financial Year ending 31st March, 2021.

   FURTHER RESOLVED THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorized to do all such acts ,things, deeds and matters which are connected therewith or incidental thereto and take all necessary steps, as may be necessary, proper or expedient, to give effect to this resolution.”

5. **Re-appointment of Mrs. Mamta Binani (DIN: 00462925) as Independent Director of the Company**

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

   “RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 of the Companies Act, 2013 (“the Act”) read with Schedule IV and other applicable provisions of the Act (including any statutory amendment(s)/ modification(s)/ re-enactment(s) thereof) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (“the Rules”) as amended from time to time, and Regulation 17 read with Regulation 16(1)(b) and other applicable regulations, if any, of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI Listing Regulations”), as amended from time to time, and Article 123 and Article 124 of the Articles of Association of the Company and as per other relevant Articles of the Articles of Association, the re-appointment of Mrs. Mamta Binani (DIN: 00462925), who has submitted a declaration, pursuant to Section 149(7) of the Act and Regulation 25(8) of SEBI Listing Regulations, that she meets the criteria of independence, as provided in Section 149(6) of the Act and the Rules framed thereunder and also Regulation 16(1)(b) of the Listing Regulations, as amended from time to time, and who is eligible for appointment as Independent Director of the Company, not liable to retire by rotation, for a term of 5 consecutive years from 29.09.2020 to 28.09.2025 (both days inclusive), as recommended by Nomination and Remuneration Committee , be and is hereby approved.

FURTHER RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof and any person authorized by the Board in this behalf) be and is hereby authorized to do all such acts, things, deeds and matters which are connected therewith or incidental thereto and take all necessary steps, including to make, sign, file and submit such forms, applications, letters, documents etc, as may be necessary, proper or expedient, to give effect to this resolution.

Registered Office: 2B, Pretoria Street, Kolkata-700071	By Order of the Board of Directors For Kkalpana Industries (India) Limited
Date: 29th Day of June, 2020 Place: Kolkata	Tanvi Panday (ACS- 31176) Company Secretary

Notes:

1. IN VIEW OF THE ONGOING COVID-19 PANDEMIC, THE MINISTRY OF CORPORATE AFFFAIRS ("MCA") HAS VIDE ITS CIRCULAR NO. 20/2020 DATED 05.05.2020 READ WITH CIRCULAR NO. 14/2020 DATED 08.04.2020 AND CIRCULAR NO. 17/2020 DATED 13.04.2020 (COLLECTIVELY REFERRED TO AS "MCA CIRCULARS") PERMITTED THE HOLDING OF THE ANNUAL GENERAL MEETING ("THE MEETING" OR "AGM") THROUGH VIDEO CONFERENCING ("VC")/OTHER AUDIO VISUAL MODES ("OAVM"), WITHOUT PHYSICAL PRESENCE OF THE MEMBERS, AT A COMMON VENUE, WHICH SHALL BE IN COMPLIANCE WITH THE PROVISIONS OF COMPANIES ACT, 2013 (" THE ACT"). FURTHER SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") HAS VIDE ITS CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/79 DATED 12.05.2020 ("SEBI CIRCULAR") HAS ALSO GRANTED CERTAIN RELAXATIONS IN COMPLIANCE WITH THE PROVISIONS OF THE ACT AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI LISTING REGULATIONS") AND MCA CIRCULARS. ACCORDINGLY THE 35TH AGM OF THE MEMBERS OF THE COMPANY WILL BE HELD THROUGH VC/OAVM ON TUESDAY, THE 29TH DAY OF SEPTEMBER, 2020, AT 11:00 A.M. (IST). THE DEEMED VENUE FOR THE 35TH AGM WILL BE THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 2B, PRETORIA STREET, KOLKATA – 700071.

2. PURSUANT TO THE PROVISIONS OF COMPANIES ACT. 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.

   HOWEVER, SINCE THE ANNUAL GENERAL MEETING ("AGM") IS BEING HELD THROUGH VC/ OAVM, PURSUANT TO THE MCA CIRCULARS AND SEBI CIRCULAR, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, PURSUANT TO CIRCULAR NO. 14/2020 DATED 08.04.2020, THE FACILITY FOR APPOINTMENT OF PROXY/(IES) BY THE MEMBERS TO ATTEND AND CAST VOTE FOR THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.

3. Institutional/Corporate Members (i.e. other than Individuals/ HUF/ NRI etc.) intending to authorize its representatives to attend the meeting through VC/OAVM and/or to vote thereat through E-Voting/ Remote E-Voting, on its behalf, are required to send a certified copy of the Board/ its Governing Body's Resolution/Authorization (scanned copy in .pdf/.jpg format only), pursuant to Section 113 of the Companies Act, 2013, or upload it on the e-voting portal. The said Resolution/Authorisation may

be sent by E-mail through the registered email address to the Scrutinizer, Mr. Ashok Kumar Daga at daga.ashok@gmail.com

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notes of the Notice of 35th AGM. The facility of participation at the AGM through VC/OAVM will be made available to 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. The members will be able to view the proceedings on the National Securities Depository Limited's (NDSL) E-voting Website at www.evoting.nsdl.com. The link for viewing one way live webcast of the AGM will be made available on the company's website at www.kkalpanagroup.com.

6. The Statement, pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the special business under Item Numbers 4 to 5 of the Notice of 35th AGM is annexed hereto. The relevant details, pursuant to Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standards on General Meetings, issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re appointment at this AGM, is also annexed. Requisite declarations have been received from Directors seeking appointment/re-appointment.

7. Register of Directors and Key Managerial Personnel of the Company and their respective shareholding maintained under Section 170 of the Companies Act, 2013 ('the Act') and The Register of Contracts and Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection, in electronic mode, by the members at the AGM.

8. All documents referred to in the Notice convening the 35th AGM and related Statement pursuant to Section 102 of the Companies Act, 2013 and annexures thereto (Collectively referred to as "Notice") will also be available for inspection, only in electronic mode, by the members from the date of circulation of the Notice upto the date of AGM i.e.29.09.2020. Members seeking to inspect such documents can send an e-mail to the Company Secretary, Ms. Tanvi Panday at tanvi.panday@kkalpana.co.in.

9. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, MCA Circulars, SEBI Circular and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its members, facility to exercise their right to vote on all resolutions set forth in the Notice convening the 35th AGM, electronically, through electronic voting (e-voting) services (both Remote E-Voting and E-Voting at AGM) facilitated by the National Securities Depository Limited (NSDL) and all items of the business may be transacted through remote e- voting (facility to cast vote from a place other than the venue of the AGM)/ E- Voting (facility to cast vote electronically at AGM) services provided by National Securities Depositories Limited ("NSDL"). Instructions and other information relating to remote e-voting/ e-voting are given in the notice under note no.26. It may be noted that facility for E-voting at AGM shall be available for members who do not cast their vote through Remote E-Voting. Members who have cast their vote through Remote E-Voting may attend the AGM through VC/OAVM but shall not be entitled to cast their votes at the Meeting once again.

   The Company has not arranged for physical voting through ballot papers, pursuant to MCA Circulars and SEBI Circular, since the meeting is being held through VC/OAVM.

10. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on Tuesday, 22nd September, 2020 (cut-off date).Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by

the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting/ e-voting during the AGM.

11. Incase of joint holders, only such joint holder who is higher in order of names, will be entitled to vote at the meeting.

12. In accordance with the provisions of section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive).

13. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Notice and Annual Report and other communication through electronic mode to those members who have registered their e-mail addresses either with the Company or with Depository Participant(s). Members who have not registered their e-mail addresses may now register the same. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only.

14. In compliance with MCA Circulars and SEBI Circular dated 12.05.2020, Notice of AGM including details and instructions for remote e-voting/e-voting and the Annual Report for the FY 2019-20 of the Company consisting of Financial Statements including Auditors' Report, Board's Report and related Annexures attached therewith (Collectively referred to as "Annual Report 2019-20" or "Annual Report") are being sent only through Electronic mode to those members whose e-mail addresses are registered with the Registrar and Share Transfer Agents ("RTA")/Company/ Depository Participants and no physical copy of said documents are being sent to any member. Members may note that Notice of the 35th AGM, details and instructions for remote e-voting/e-voting and the Annual Report of the Company for the year ended 31st March, 2020 consisting of Financial Statements including Auditors' Report, Board's Report and related Annexures attached therewith are also uploaded on the Company's website www.kkalpanagroup.com and may be accessed by the members. The said documents will also be available on the website of the Stock Exchanges i.e Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited at www.bseindia.com and www.cse-india.com and also on the website of NSDL at www.evoting/nsdl.com.

15. In compliance with the MCA circulars and SEBI Circular the company has availed the services of E-mail ID updation of members through SMS, as provided by National Securities and Depository Limited (NSDL) and Central Depository and Services (India) Limited (CDSL), respectively requesting the members of the Company to update their E-mail Id to enable receipt of Annual Report 2019-20. Necessary Newspaper publications to this effect are also being made, requesting members to update their E-mail ID to enable receipt of Annual Report 2019-20.

16. Members, holding shares in physical mode are requested to notify the change in their name/address / mandate/ bank account/ nominations/ e-mail address/ contact/Power of Attorney etc to the Registrar & Share Transfer Agent of the Company ("RTA"), M/s. CB Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019. Members holding shares in demat form, are requested to intimate any change in their address and/or bank mandate to their Depository Participant(s). The Company cannot act on any request received directly from members holding shares in demat form, for any change in their particulars.

17. Members are requested to address all correspondences, including those on dividends, to the Registrar and Share Transfer Agents, as mentioned above.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s. CB Management Services Pvt. Limited.

19. Dividend for the financial year ended 31st March, 2013, which remains unpaid or unclaimed, will be due for transfer to Investors' Education and Protection Fund of the Central Government ('IEPF') on 25th

October, 2020, pursuant to the provisions of Section 125 of the Companies Act, 2013 corresponding to Section 205C of the erstwhile Companies Act, 1956 . In respect of the said dividend, it will not be possible to entertain claims received by the Company after 24th October, 2020.

Members, who are yet to encash their dividend warrants for the financial year 2012-13 or any subsequent financial year(s), are requested to correspond/ lodge their claims with the Company's Registrar & Share Transfer Agents without delay. The details of dividend unclaimed by the members for the past years which have not yet been transferred to the Central Government are readily available for view by the members on the website of the Company (www.kkalpanagroup.com), as also on the website of the Ministry of Corporate Affairs through http://iepf.gov.in/IEPFWebProject/SearchInvestorAction.do?method=gotoSearchInvestor. Further, the members are advised to glance through the database and lodge their claim for dividend, which has remained unclaimed, with the Company's Registrar and Share Transfer Agents.

The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies, Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments from time to time). As per these, members are requested to note that dividends that are not encashed/claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Act, be transferred to Investor Education and Protection Fund (IEPF). Shares on which dividend remains unpaid/ unclaimed for seven consecutive years will be transferred to demat account of IEPF Authority as per section 124 of the Act, and applicable rules, notifications, if any (as amended from time to time). Hence the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period. The shareholders whose dividend/ shares are transferred to the IEPF Authority can claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority http://iepf.gov.in/IEPFA/refund.html and by following the procedure as prescribed under the IEPF Authority (Accounting, Audit, Transfer and Refunds) Rules, 2016, as amended from time to time.

20. In accordance with the aforesaid IEPF Rules, the Company will sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and also publish newspaper advertisement, in this regard. The said details will also be made available on the website of the Company at www.kkalpanagroup.com/investor-relations/news. Intimation in regard to newspaper publication will also be submitted to the stock exchanges and be available at the website of BSE at www.bseindia.com and that of Calcutta Stock Exchange at www.cse-india.com. The Company is required to transfer all shares, as above, to demat account of the IEPF Authority, in accordance with IEPF Rules as and when notified.

21. As per the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Share Transfer Agents, by Members holding shares in physical form. Members holding shares in electronic form, may obtain Nomination forms from their respective Depository Participant.

22. As per the amendment made to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by SEBI Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, read with press release (2018 PR No. 49/2018) dated 03.12.2018, it is now mandated, w.e.f. 1st April, 2019, that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depositor. Further, as per SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, the Shareholders, who are still holding shares in physical form are requested to take immediate action to demat their shares to avail easy liquidity and to update their Bank details with the Company to enable direct credit of dividends, if any declared, as per SEBI Regulations.

23. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the RTA/Company, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be issued to such member after making requisite changes.

24. The Dividend, as recommended by the Board of Directors, if declared at the Annual General Meeting will be credited/dispatched between 04th October, 2020 to 28th October, 2020 to those members or to those mandates :-

    a. Whose name appear as Beneficial Owners as at the end of 22nd September, 2020 in the statements of beneficial owner furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), in respect of shares held in electronic form and

    b. Whose names appear as Members in Register of Members of the Company, after giving effect to all valid share transfers/transmissions in physical form lodged with the Company/ RTA on or before the 22nd September, 2020.

    It may be noted that in view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. Your company shall accordingly make the payments of Dividend after deducting Tax at Source.

25. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The Company and its Registrar and Share Transfer Agent are required to seek relevant bank details of members from depositories/ investors for making payment of dividends in electronic mode. Further, pursuant to MCA General Circular 20/2020 dated 5th May, 2020, companies are directed to credit the dividend of the members directly to the bank accounts of the members using Electronic Clearing Service. Accordingly, members are requested to provide or update (as the case may be) their bank details with the respective depository participants for the shares held in dematerialized form and with the Registrar & Share Transfer Agent in respect of shares held in physical form. In case of non availability or non-updation of bank account details of the shareholders, the Company shall ensure payment of dividend to such member post normalization of postal services in the Country, vide dispatch of dividend warrant/ cheque, as the case may be.

26. Instruction for E-Voting and Joining the AGM are as follows:

    I. The remote e-voting period commences on 26th September, 2020 (9:00 a.m) (IST) and ends on 28th September, 2020 (5:00 pm) (IST). During this period only the members of the Company, holding shares either in physical form or in dematerialized form, whose names appear in the Register of Members or Register of Beneficial Owners, as on the cut-off date of 22nd September, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The rights of members shall be proportionate to their share of the paid-up equity share capital of the company as on the cut-off date. E-voting rights cannot be exercised by a proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization.

    II. Mr. Ashok Kumar Daga, Practicing Company Secretary (Membership No. FCS-2699, C.O.P No. 2948) has been appointed as the Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.

    III. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

    Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below (point 6) in **process for those shareholders whose email ids are not registered**
      (iii) Any person who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd September, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA at rta@cbmsl.com
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?" option available on www.evoting.nsdl.com. (If you are holding shares in your demat account with NSDL or CDSL)
   b) **Physical User Reset Password**?" option available on www.evoting.nsdl.com. (If you are holding shares in physical mode)
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the E-voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to daga.ashok@gmail.com with a copy marked to evoting@nsdl.co.in. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVEN NO."

2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

4 Incase of any grievances connected to the facility for e-voting please contact Mr. Vikram Jha, Manager, NSDL, Unit 2E, 2nd Floor, The Millenium, 235/2A, A.J.C. Bose Road, Kolkata – 700020, West Bengal; Email: vikramj@nsdl.co.in/ evoting@nsdl.co.in; Tel: 91 33 22904246/ 1800-222-990. Incase of grievances connected to members data please contact Mr. Sujit Sengupta, M/s C.B. Management Services Pvt. Ltd. (Unit-M/s Kkalpana Industries (India) Limited), P-22, Bondel Road, Kolkata – 700019, West Bengal; Email: rta@cbmsl.com/ senguptask@cbmsl.com; Tel: 033 2280 6692 / 93/94/2486.

5 You can also update your mobile no. and e-mail id in the user profile details of the folio which may be used for sending future communication(s)

IV. **Process for those shareholders whose email ids are not registered with the Depositories for procuring user id and password and registration of e mail ids for e-voting on the resolutions set out in this notice** :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to tanvi.panday@kkalpana.co.in / kolkata@kkalpana.co.in

   In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to tanvi.panday@kkalpana.co.in / kolkata@kkalpana.co.in

2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

V. **The instructions for members for e-voting on the day of the AGM are as under:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

VI. **Instructions for members for attending the AGM through VC/OAVM are as under:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Mr. Vikram Jha, Manager – NSDL at vikramj@nsdl.co.in/ 033 - 22904246
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker, on or before the close of business hours on 19.09.2020, and as such send their request from their registered e-mail id, mentioning their name, demat account number/ folio number, email id, mobile number at tanvi.panday@kkalpana.co.in / kolkata@kkalpana.co.in
7. Shareholders who would like to seek some clarification on the accounts or other reports may send their questions in 10 days in advance of the meeting, mentioning their name demat account number/folio number, email id, mobile number at tanvi.panday@kkalpana.co.in / kolkata@kkalpana.co.in., so that the same will be replied by the company suitably.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending the availability of time for the AGM.

Other Instructions:

1 The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast during the AGM and thereafter unblock the votes cast through remote e-voting and shall make, not later than 48 hours of conclusion of AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

2 The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.kkalpanagroup.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to concerned stock exchanges where the company's shares are listed. Due to the current lockdown situation in the wake of COVID 19 pandemic, the result shall not be displayed on the Notice Board of the Company at its Registered Office.

27. The Resolutions shall be deemed to be passed on the date of Annual General Meeting, subject to receipt of sufficient votes.

28. Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.

29. We urge members to support our commitment to environment protection by choosing to receive their shareholding communication through email. You can do this by updating your email address with your depository participants (in case of demat holdings) or with the RTA (in case of physical holdings)

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE 35TH ANNUAL GENERAL MEETING

(In Pursuance of Regulation 36(3) of SEBI Listing Regulations)

Name of Director	Mr. Rajesh Kothari (DIN: 02168932)	Mrs. Mamta Binani (DIN: 00462925)
Date of Birth	05.06.1964	10.10.1972
Date of Appointment on the Board	11.08.2011	26.09.2014
Qualification	Graduate (B.Com)	B.Com (Hons.) from Calcutta University. She is also a Fellow member of the Institute of Company Secretaries of India (ICSI)
Expertise	Mr. Kothari has more than 28 years of experience in the areas of marketing, after sales service and market research. He started his career in the year 1985 at Kanoria Chemicals & Industries Limited. He joined Kkalpana in 1997	Mrs. Binani has 19 years of experience in corporate consultation & advisory, covering Due Diligence, Secretarial & Legal functions. She has been the first lady Chairperson (Eastern Region) of ICSI and has held the post of President of ICSI.
Directorships held in other public companies including private companies which are subsidiaries of public companies #	None	GPT Infraprojects Ltd, Century Plyboards (India) Ltd., Nu Vista Limited, Skipper Limited, Anmol Industries Ltd., La Opala R G Ltd.
Memberships / Chairmanships of Committees across other companies in which he/she is a Director	None	Member of Audit Committee in GPT Infraprojects Ltd. And Nu Vista Ltd. Chairperson of Audit Committee in Anmol Industrirs Ltd. Member of Stakeholder Relationship Committee in Nu Vista Ltd. And Chairperson of Stakeholder Relationship Committee in Century Pluborad (India) Ltd.
Memberships / Chairmanships of Committees in the company	Member of CSR Committee, Audit Committee and Stakeholder Relationship Committee	Member of Nomination and Remuneration Committee
Shareholding in the Company	NIL	NIL
Relationship with other Directors	NIL	NIL

 # Excludes Directorships in Private Limited Companies, Foreign Companies and Government Companies

Registered Office:
2B, Pretoria Street,
Kolkata-700071

By Order of the Board of Directors
For Kkalpana Industries (India) Limited

Date: 29th Day of June, 2020
Place: Kolkata

Tanvi Panday (ACS- 31176)
Company Secretary

Statement pursuant to Section 102 of The Companies Act, 2013

Item No.4

The company is required, under provisions of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Cost Records and Audit) Rules, 2014 ("the Rules"), as amended from time to time, to have the audit of its Cost Records conducted by a Practicing Cost Accountant or a firm of Cost Accountants. Further, in accordance with the provisions of Section 148 of the Act read with the Rules, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

The Board of Directors of the Company, on the recommendation of the Audit Committee, at their respective meeting held on 29th June, 2020, has approved the appointment of M/s D. Sabyasachi & Co (Firm Registration No. 000369), Cost Accountants, as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2020-21, at a remuneration of Rs. 30,000/- plus taxes, as applicable, and out of pocket expenses incurred in connection with the Cost Audit.

Accordingly, the consent of the members is sought by way of an Ordinary Resolution as set out at Special Business under Item No. 4 of the accompanying Notice convening the Annual General Meeting, for ratification of remuneration amounting to Rs. 30,000/- plus taxes, as applicable, and out of pocket expenses, incurred in connection with the Cost Audit, payable to the Cost Auditors for the financial year ending 31st March, 2021.

In view of complying with the requirements of Section 148 of the Act and the Rules, thereunder, the appointment of Cost Auditor for the Financial Year 2020-21, being a special business is unavoidable in nature. The Board of Directors accordingly, commends the ordinary resolution set out at Item No. 4 of the accompanying Notice convening the Annual General Meeting for ratification by the members.

None of the Directors or Key Managerial Personnels of the Company and their respective relatives are, in any way, concerned or interested, financially or otherwise in the resolution.

Item No.5

At the Board Meeting of the Company held on 29th June, 2020, the Board has, based on the recommendation of Nomination and Remuneration Committee, recommended to the members of the Company, for re-appointment of Mrs. Mamta Binani (DIN: 00462925) as Independent Director, not liable to retire by rotation, of the Company for a period of 5 years from 29.09.2020 to 28.09.2025.

Mrs. Binani has also given declaration to the Board, under Section 149(7) of the Companies Act, 2013 ("the Act") and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"), as amended from time to time, that she meets the criteria of independence as provided in Section 149(6) of the Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations, as amended from time to time. In terms of Regulation 25(8) of SEBI Listing Regulations, Mrs. Binani has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact her ability to discharge her duties as Independent Director of the Company. She has also confirmed that she is not debarred from holding office of Independent Director/ Director by virtue of any SEBI order or any other statutory authority, pursuant to Circular No. LIST/COMP/14/2018-19 dated 20.06.2018 issued by BSE Ltd., pertaining to enforcement of SEBI Orders regarding appointment/ re-appointment of Director/Independent Director. She is also not disqualified from being re-appointed as Independent Directors in terms of Section 164 of the Act. She has also confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 ("the Rules"), as amended from time to time, with respect to her registration with the Databank of Independent Directors maintained with Indian Institute of Corporate Affairs. She has also given her consent to act as Independent Director of the Company for a further period of 5 years, in compliance with Section 149(10) of the Act.

Mrs. Binani, aged 47 years, is a Fellow Member of the Institute of Company Secretaries of India (ICSI) and has 18 years of experience in corporate consultation & advisory, covering Due Diligence, Secretarial & Legal functions. She has been the first lady Chairperson (Eastern Region) of ICSI and has held the post of President of ICSI. She also serves Independent Directorship in various Companies. In the opinion of the Board, Mrs. Binani is a person of integrity, possesses the relevant expertise/ experience and also fulfills the conditions specified under the relevant provisions of the Companies Act, 2013 read with Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her re-appointment as Independent Non Executive Director of the Company and is independent of the management. Having regard to the qualifications, experiences and knowledge and the Company's adherence to policy on Board Diversity, the Board considers that her induction into the Board and association with the Company would be of immense benefit to the Company and that it will lend an independent and fair view to the decision making process and hence it is desirable to avail her services as Independent Director. A copy of draft letter of appointment of Independent Director, setting out the terms and conditions of her appointment, will be available for inspection by the members. Members who wish to inspect the same may send their request to the e-mail address mentioned in the notes to the notice convening the Annual General Meeting.

Mrs. Binani is not related to any other Director of the Company. A brief profile of Mrs. Mamta Binani (DIN: 00462925), including nature of expertise, is provided in the annexure to the Notice, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Accordingly, the Board of Directors of the Company commend the appointment of Mrs. Mamta Binani (DIN: 00462925) as Independent Director of the Company for a period of five(5) consecutive years from 29.09.2020 to 28.09.2025, whose period of office shall not be liable to determination by retirement of directors by rotation, by way of special resolution set out at Item No. 5 of the Notice convening the Annual General Meeting, for approval by members.

Save and except Mrs. Mamta Binani (DIN: 00462925), none of the other Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financially or otherwise in the aforesaid resolution except to the extent of their respective shareholdings in the Company. This item being Special Business is unavoidable in nature.

Registered Office:
2B Pretoria Street
Kolkata-700 071

29th June, 2020
Place: Kolkata

By Order of the Board of Directors
For Kkalpana Industries (India) Limited

TanviPanday (ACS 31176)
Company Secretary

Board's Report

To the Members of M/s Kkalpana Industries (India) Limited,

The Board of Directors, has pleasure to present the 35th Annual Report on the performance of the Company together with the Audited Statement of Accounts for the year ended March 31, 2020.

Summarized Financial Results

(Rs. In Lacs)

	Standalone		Consolidated	
	2019-20	**2018-19**	**2019-20**	**2018-19**
Net Turnover and other Income	176221.02	202082.84	175741.92	199479.35
Profit before Depreciation, Financial Costs & Tax	8788.6	11433.63	8737.55	11,764.11
Less : Depreciation	1215.25	1647.35	1221.70	1667.14
Financial Costs	4540.74	5743.98	4541.75	5994.39
Profit before Tax	3032.61	4042.29	2974.10	4102.58
Less : Provision for Tax	(31.18)	1480.54	(48.38)	1501.24
Profit After Tax	3063.79	2561.75	3022.48	2601.34
Add: Profit brought forward from previous year.	20434.27	18144.26	20353.98	18022.7
Non – Controlling Interest	-	-	-	1.69
Amount Available for Appropriation	20434.27	20706.01	20353.98	20625.73
Appropriation				
Proposed final dividend on Equity Shares	(225.78)	(225.78)	(225.78)	(225.78)
Corporate Dividend Tax	(45.96)	(45.96)	(45.96)	(45.96)
Transfer to General Reserve	-	-	-	-
Surplus carried to Balance Sheet	23226.34	20434.27	23104.73	20353.98

Dividend

Your directors have pleasure in recommending payment of dividend @ 6% (Rs. 0.12p per equity share of face value Rs. 2/- each) to the equity shareholders of the Company for the Financial Year ended 31st March, 2020. The total outgo will be Rs. 112.89 lacs, if declared by the members at the ensuing Annual General Meeting.

COVID-19 Impact

The World Health Organization declared a global pandemic of the coronavirus disease (Covid-19) on 11th February, 2020. The impact of the disease is being felt in India, as well, and the central government declared a PAN India lockdown on 24th March, 2020. The lockdown has been extended several times since then. The effect of coronavirus (Covid-19) outbreak on public life and industries is also affecting the demand for the company's product in the country across several market segments.

However, your company started operations, in a phased manner, with reduced manpower. Gradually operations are being stepped up. Your company fully followed the guidelines issued by the Central Government for reopening of manufacturing units/offices. Your company also opened its head office, Delhi and Mumbai offices, keeping in view the employee safety first approach, and maintained social distancing and other health & safety norms to minimize the spread of disease.

While the pandemic is expected to have negative impact on the financial performance of company in the current year, the situation in the country still remains uncertain and, therefore, it is difficult to quantify the magnitude, and duration of such impact at this stage. However, preliminary estimates, based on sales trend in the past weeks and through interaction with your company's customers, indicate possibly sizeable reduction in turnover & profitability in respect of the financial year 2020-21. The company's focus on liquidity, supported by strong balance sheet & cost optimization initiatives would help the company in navigating near term challenges in the demand environment.

Your Directors are of the firm view that your company will be able to retrieve the loss in sales revenue within shortest possible time, maybe, within 2021-22. They do not feel that the ongoing liquidity crisis will have such a negative effect that it will ultimately incarcerate the very survival of your company.

Industrial Scenario

Because of slowdown in demand, your directors feel that your company's approach in operational areas should be very effective. The year 2020-2021 is very challenging, particularly, because world economic scenario will definitely be gloomy and India will also face headwinds in its economy. Further, the impact of Covid-19 on the world economy will also have impact on the domestic economy.

Operations and State of Company's Affairs

During the year under review, your Company achieved total revenue of Rs. 1,762.21 Crores as against total revenue of Rs. 2,020.83 Crores in the previous financial year. The Profit after Tax is Rs. 30.64 Crores as against Rs. 25.62Crores in the previous year.

Future Prospects

Your directors feel that your company's Research and Development, which is of a very high standard, will enable your company to make inroads in new markets, both domestic and international from 2021-22.

Share Capital

There is no change in the Share Capital of the Company. As on 31st March, 2020, the paid up equity share capital of the company stood at Rs. 1881.46 lacs divided into 94072930 equity shares of face value Rs. 2/- each.

Transfer to General Reserve

The Board of Directors decided to retain the entire amount of profits for 2019-20 in the retained earnings.

Transfer of Amount to Investor Education and Protection Fund

Dividend for the financial year ended 31st March, 2013, which remains unpaid or unclaimed for a period of seven years, will be due for transfer to Investor Education and Protection Fund (IEPF) on 25th October, 2020. Members who have not yet enchased their dividend warrants for the financial year ended 31st March, 2013 or any subsequent financial years, are requested to lodge their claims without any delay.

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e.27.09.2019), with the Ministry of Corporate Affairs.

The related data is available on the Company's website.

Fixed Deposits

Your Company has not accepted any deposits from public and /or members during the year under review, within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and accordingly as of 31st March, 2020, there were no unpaid fixed deposits with the Company.

Credit Rating

CRISIL has reaffirmed, vide its letter dated 05th July, 2020, the Credit Rating of A- (Long Term Rating) and A2+ (Short Term Rating) given to the company.

Research and Development

Your Company recognizes that Research & Development ("R&D") plays a vital role in supporting operations as well as future growth. Your Company focuses its attention on development of Products that have wide industrial applications, particularly in cable, piping, packaging and footwear industries. Through R&D, it endeavors to increase production, lower cost of production and lower wastage.

Directors and Key Managerial Personnel

Appointment/Re-appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Rajesh Kumar Kothari (DIN -02168932), Whole Time Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

Mrs. Mamta Binani (DIN: 00462925), Independent Director of the Company has completed the term of 5 consecutive years of holding office as Independent Director of the Company and being eligible, the Board has recommended her re-appointment for period of 5 consecutive years, pursuant to Section 149(10) of the Companies Act, 2013. The Nomination and Remuneration Committee has also recommended on similar lines. She has offered herself for re-appointment as Independent Director for a term of 5 consecutive years from 29.09.2020 to 28.09.2025, at the ensuing Annual General Meeting. It is also informed that she has submitted the requisite declarations and confirmations pursuant to Section 164 and 149(7) of the Companies Act, 2013 ("the Act"), Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 ("the Rules"), Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"), as amended from time to time, Circular No. LIST/COMP/14/2018-19 dated 20.06.2018 issued by BSE Ltd. and has also given her consent to act as Independent Director of the Company for a further period of 5 years, in compliance with Section 149(10) of the Act, details whereof has also been stated in the Statement pursuant to Section 102 of the Act, annexed to the Notice convening the 35th Annual General Meeting. The Board of Directors of your company has accordingly, sought approval from members, by way of special resolution, in accordance with Item No. 5 of the Notice convening this Annual General Meeting.

The necessary disclosures about Directors, required pursuant to Regulation 36 of the SEBI Listing Regulations and Clause 1.2.5 of the Secretarial Standard, are annexed to the Notice of 35th AGM, forming part of the Annual Report.

Mrs. Ramya Hariharan (DIN: 07824452) who was appointed as the Additional Director, w.e.f. 11th February, 2019 was appointed as Independent Director of the Company, for a period of 5 years, by the members of the company, at the last Annual General Meeting of the Company held on 27.09.2019.

Further, Mr. Dev Krishna Surana (DIN: 08357094) was also appointed as Additional Director, w.e.f 11th February, 2019 was also appointed as Whole Time Director of the Company, for a period of 5 years, w.e.f. 28th May, 2019, by the members of the Company, at the last Annual General Meeting of the Company held on 27.09.2019.

Key Managerial Personnel

The Board has the following Key Managerial Personnel as on 31.03.2020:

Mr. Narrindra Suranna- Chairman and Managing Director & CEO

Mr. Dev Krishna Surana – Whole Time Director

Mr. Rajesh Kothari- Whole Time Director

Dr. Pranab Ranjan Mukherjee- Whole Time Director

Independent Directors

As on 31.03.2020, your company had following Independent Directors:

Mr. Samir Kumar Dutta

Mrs. Mamta Binani

Mrs. Ramya Hariharan

None of the Independent Directors, except Mrs. Mamta Binani (DIN: 00462925) is due for re-appointment.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in their respective designated fields.

The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs (IICA), in terms of Section 150 of the Companies Act, 2013 (including any statutory modifications, amendments/ re-enactments, if any) read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time.

Cessation

Mr. Ramakant Mishra (DIN: 06882372), Independent Director of the Company left for his heavenly abode on 27.02.2020.

Dr. Pranab Ranjan Mukherjee (DIN: 00240758), Whole Time Director of the Company, resigned from his office, wef 30th June, 2020.

None of the Directors are disqualified or debarred by SEBI or any other statutory authority, from continuing office as Director

Declaration by Independent Directors

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of Independence, as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. They have also confirmed, respectively, pursuant to Circular No. LIST/COMP/14/2018-19 dated 20.06.2018 issued by BSE Ltd., pertaining to enforcement of SEBI Orders regarding appointment/ re-appointment of Director/Independent Director, that they are not debarred from holding office of Independent Director/ Director by virtue of any SEBI order or any other statutory authority and are not disqualified from being continuing as Independent Directors in terms of Section 164 of the Act. They have also confirmed, respectively, their compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (“the Rules”), as amended from time to time, with respect to registration with the Databank of Independent Directors maintained with Indian Institute of Corporate Affairs.

Board membership Criteria and list of Core Skills/ expertise/ competencies identified in the context of the business

The Board of Directors are collectively responsible for selection of member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for selection as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific areas of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company’s values, such as integrity, honesty, transparency, pioneering mindset.

The Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company, which are currently available with the Board:-

- Leadership -experience of running large enterprise, leading well-governed organization, with an understanding of organizational systems and strategic planning and risk management, understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
- Strategy and planning-Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments
- Governance-Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values
- Finance and Accounting Experience –Experience in handling financial management along with an understanding of accounting and financial statement
- Understanding use of Digital / Information Technology–Understanding the use of digital / Information Technology across the value chain, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organization
- Sales and Marketing-Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.

The following are the details of respective core skills of Board Members:-

Name of Director	Core Skill
Mr. Narrindra Suranna (DIN: 00060127)	Leadership Strategy and Planning Finance & Accounting Experience
Mr. Dev Krishna Surana (DIN: 08357094)	Leadership Strategy and Planning Understanding use of Digital/ Information Technology Sales and Marketing
Mr. Rajesh Kumar Kothari (DIN: 02168932)	Leadership Strategy and Planning Finance & Accounting Experience Sales and Marketing
Dr. Pranab Ranjan Mukherjee (DIN: 00240758)	Leadership Understanding use of Digital/ Information Technology Sales and Marketing
Mr. Samir Kumar Dutta (DIN: 07824452)	Governance Finance and Accounting Experience
Mrs. Mamta Binani (DIN: 00462925)	Governance Understanding use of Digital/ Information Technology
Mrs. Ramya Hariharan (DIN: 06928511)	Governance Finance and Accounting Experience\ Understanding use of Digital/ Information Technology
Mr. Ramakant Mishra (DIN: 06882372) –till 27.02.2020	Governance Finance and Accounting Experience\ Understanding use of Digital/ Information Technology

Committees of the Board

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their respective composition, number of meetings and attendance at the meeting are provided in the Corporate Governance Report, which also forms part of this Annual Report.

Code of Conduct for Directors, Senior Management Personnel and Employees

Your Company has adopted a Code of Conduct ("the Code" or "CoC") for its Directors and Senior Management. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Directors and Senior Management Personnel have affirmed compliance with respective the code. The CEO and Managing Director has also affirmed and certified the same, which certification is provided in the Report on Corporate Governance. It also has in place an HR Policy for its employees at all levels.

Familiarization Programme for Independent Directors

The Company had organized familiarization programmes for the Independent Directors as per the requirement of the Companies Act, 2013 and Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it conducts familiarization programme, from time to time, for its Independent Director. All independent directors inducted into the Board attended the familiarization programme. The Company has familiarized the Independent Director with the company, their roles, rights, responsibilities in the company, nature of the Industry in which the company operates and business model of the company. The Company endeavors to update the Independent Directors regarding the company's projects, new ventures, if any, opening of new office sites or manufacturing units, shutdown/ closure of any manufacturing unit. It also keeps the Independent Directors informed of any sluggishness in finance/ liquidity problems, if any. The suggestions received from Independent Directors are taken note of and informed to the Chairman and Managing Director who takes suitable measures, if required, on the suggestions of the Independent Directors. Further, at the time of the appointment of an Independent Director, the company also issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The format of the letter of appointment is available under the head draft letter of appointment on our website (www.kkalpanagroup.com/investor-relations.php)

Board Evaluation

The Board of Directors has devised a policy for performance evaluation, which includes criteria for performance evaluation. It reviews the performance evaluation criteria annually in accordance with Regulation 4(2)(f)(ii)(9) of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The Nomination and Remuneration Committee accordingly carries out an annual evaluation of Board's performance, and the performance of its Committees as well as Individual Directors (both Executive and Non – executive/ Independent Directors) in accordance with Section 178(2) of the Companies Act, 2013. This involves receiving inputs from all Committee members. The Board thereafter reviews and takes on record the performance evaluation done by the Nomination and Remuneration Committee. The Board evaluates the performance of Independent Directors, pursuant to Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule IV to the Companies Act, 2013.

Pursuant to the provisions of the Section 178(2) Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the formal annual evaluation was carried out for the Board's own performance, its committees & Individual Directors.

A structured performance evaluation form was prepared after taking into consideration inputs received from the Directors and on the basis of the evaluation criteria laid down by Nomination and Remuneration Committee and as reviewed and approved by the Board of Directors, covering various aspects of the Board's functioning including adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, the effectiveness of its processes, information, flow and functioning.

A separate meeting of Independent Directors is held to review the performance of Non-Independent Directors, the performance of the Board of Directors and the performance of Chairman. The Directors evaluation was broadly based on parameters such as, meeting the expectation of stakeholders, guidance and review of corporate strategy, risks, participation, Director's contribution to the Board of Directors and Committee meetings, including preparedness on the issues to be discussed as well as meaningful and constructive contribution and inputs during the meeting and attendance at Board / Committee meetings, interpersonal skills. The performance evaluation of the Chairman of the Company was undertaken by the Independent Directors taking into account the views of Executive Directors and Non –Executive Directors. The Chairperson is evaluated on the key aspects of their role, their contribution to ensuing corporate governance, leadership qualities, decision implementation, understanding of market and industry scenario etc. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board.

Observation of the Board in regard its own performance

In regard to Financial Year ended 31st March, 2020, the Board of Directors of the Company, after an exhaustive discussion on the captioned subject matter, was of the opinion that operationally, the Board, as whole, had issued effective instructions, from time to time, and the same were duly carried out.

The Company Secretary of the Company issues, on a quarterly basis, the Consolidated Compliance Certificate, based on the reports submitted by the Unit/ Departmental Heads. The same is reviewed and taken on record by the Board

Policy on Director's appointment and remuneration

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of 31st March, 2020, the Board had 7 members, 4 of whom were executive and 3 were non-executive directors. As mentioned above Mr. Ramakant Mishra (DIN: 06882372), Non Executive Independent Director of the Company left for his heavenly abode on 27.02.2020.

The Company's Policy for selection and appointment of Directors and their remuneration is based on its Nomination and Remuneration policy which, inter alia, deals with the manner of selection of the Directors and Senior Management Personnel and such other matters as provided under section 178(3) of the Act and 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment thereto.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under section 178(3) of Companies Act, 2013 is available on the company's website under the head Policy at www.kkalpanagroup.com/investor-relations.php.

Your Directors affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

Board meetings

The Board met Six times during the financial year under review, the details of which are given in the Corporate Governance Report which is annexed and forms a part of this report. The intervening gap between two consecutive Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

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

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

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

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively ; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory Auditors & Audit

The Statutory Auditors of the Company, M/s. B. Mukherjee & Co, Chartered Accountants, Kolkata (Firm Registration No. 302096E), were appointed as Statutory Auditors of the Company, at the Annual General Meeting of the Company held on 23rd September, 2017, for a period of 5 consecutive years, subject to ratification by members of the Company at every subsequent Annual General Meeting. However, as per the amendment of Section 139 of the Companies Act, 2013, which have been made effective from 07th May, 2018, ratification of the appointment of the auditor is no longer required. Hence the same is not proposed at the ensuing Annual General Meeting. The Statutory Auditors have given a certificate of eligibility and consent that they are eligible and willing to continue as Statutory Auditors of your company for the Financial Year 2020-21.

Further, the Auditors have confirmed that they have undergone the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of ICAI. The Auditors' Report on the accounts for the year ended 31st March, 2020 does not contain any qualification, reservation, adverse remark or observation.

Internal Auditors & Internal Audit

The Board of Directors of your Company has re-appointed M/s. DKD& Associates, Chartered Accountants, Kolkata (Firm Registration No.322657E) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2020-2021, on the recommendation of Audit Committee. The Quarterly Internal Audit Report submitted by Internal Auditors during the Financial Year 2019-20 have been reviewed by the Audit Committee and Board, at their respective meetings and the suggestions therein implemented to the extent possible.

Cost Auditors & Cost Audit

Pursuant to section 148 of the Companies Act, 2013 and subject to notification of rules thereunder, the Board of Directors, on the recommendation of the audit committee, has appointed M/s. D. Sabyasachi & Co. (Membership N0. 00369), Cost Accountants, Kolkata, as the Cost Auditors of the Company for the financial year 2020-21. M/s. D. Sabyasachi & Co. have confirmed that their appointment is within the prescribed limits and they are free from any disqualifications as provided in section 141 of the Companies Act, 2013. The Cost Audit Report for the Financial Year 2019-20 does not contain any qualification, reservation, adverse remark or observation

Secretarial Audit & Secretarial Audit

The Board had re-appointed Mr. Ashok Kumar Daga (Membership No.-FCS- 2699, C.O.P No. 2948), Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2020-21. The report of the Secretarial Auditors for the Financial Year 2019-20 in Form MR-3 is annexed herewith as **Annexure 1** to this report. The report is self-explanatory and does not call for any further comments. The company does not have any material subsidiary company and hence the provisions of Secretarial Audit for material unlisted company, pursuant to Regulation 24A of SEBI (listing Obligations and Disclosure Requirements), Regulations, 2015, as notified by SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 08.02.2019 and inserted vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, is not applicable to your Company.

Annual Secretarial Compliance Audit

SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 08.02.2019 introduced that listed companies shall additionally, on an annual basis, require a check by Practicing Company Secretary ("PCS") on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, consequent to which, the PCS shall submit a report to the listed entity. Mr. Ashok Kumar Daga (Membership No.-FCS- 2699, C.O.P No. 2948), Practicing Company Secretary, was appointed by the Board for the said purpose who has since submitted his report to the Board which was place for consideration by Board members, at its meeting held on 29th June, 2020 and subsequently submitted to the Stock Exchange as per the requirement of the said circular. The Annual Secretarial Compliance Report issued by Mr. Ashok Kumar Daga, (Membership No.-FCS- 2699, C.O.P No. 2948), Practicing Company Secretary for the year ended 31st March, 2020 does not contain any qualification, reservation or adverse remark.

Policies

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All applicable policies are available under the head Policy on the Company's website:www.kkkalpanagroup.com/investor-relations.php. The policies are reviewed periodically by the Board and updated, based on need and new compliance requirement.

Corporate Social Responsibility (CSR)

The Company has a Corporate Social Responsibility Committee, constitution of which is detailed in the Corporate Governance Report forming part of this Report. In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Company has adopted a CSR policy which is available under the head policy at: http://www.kkalpanagroup.com/investor-relations.php. The Annual Report on CSR expenditures for the FY 2019-20 is annexed herewith and forms part of this report and marked as **Annexure - 2**.

Related party transactions

Your Company has formulated Policy on Related Party Transaction (RPT) which is available on Company's website www.kkalpanagroup.com. There were no transactions that required disclosure under section 134(3)(h) of the Companies Act,2013, in Form AOC-2, and hence your company has not provided any details of such related party transactions. Further, there are no material related party transactions, during the year under review, with the Promoters, Directors or any Key managerial Personnel which may have a potential conflict of interest with the Company at large. All Related Party Transactions were entered into by the company in its ordinary course of business and were at an arm's length. The Related Party Transactions for which Omnibus approval was granted by the Audit Committee and Board of Directors of the Company, at their respective meeting held on 28.05.2019, were reviewed quarterly by the Audit Committee and Board of Directors of the Company, at their subsequent, respective meetings.

Subsidiaries/ Joint Ventures / Associate Companies

M/s. Plastic Processors & Exporter Private Limited is a Subsidiary of your Company and M/s Kkalpana Plastick Limited is the Associate company of your company. During the Financial Year 2019-2020, M/s Plastic Processors and Exporter Private Limited became the wholly owned subsidiary of your Company. Further, the Board, at its meeting held on 28.10.2019, approved the incorporation of a Limited Liability Company as a Subsidiary of the Company, in the name and style of M/s Kkalpana Plas Middeast (FZC) LLC, under the Laws of Sultanate of Oman, however the project was decided to be shelved, at the

Board's meeting held on 29.06/2020. Further, at the meeting of Board of Directors of the Company held on 27.01.2020, the incorporation of Wholly Owned Subsidiary in the name and style of M/s Kkalpana Plastic Reprocess Industries Middleeast FZE', in Hamriyah Free Zone, Sharjah, United Arab Emirates was also approved. The financial position of M/s Plastic Processors & Exporter Private Limited (subsidiary) and M/s Kkalpana Plastick Limited (associate) is given in Form AOC- 1 and forms part of the report as '**Annexure – 3'**. It may be noted that the operations have not yet commenced in the subsidiaries/ projects that were approved to be incorporated during the FY 2019-20.

Your company was holding 99.99% of equity in the paid up capital of M/s Plastic Processors and Exporter Private Limited. However, wef 18.02.2020 the same has become the Wholly Owned Subsidiary of the Company. Your company also holds 36.23% of equity in the paid up capital of M/s Kkalpana Plastick Limited.

Performance of Subsidiaries, Associates and Joint Venture Companies and their contribution to the overall performance of the Company during the YEAR UNDER REVIEW

Name of the Entity	**Share in Profit and Loss**		
Particulars	**PAT (Rs. In lacs)**	**As a % age of Profit or Loss**	**Amount (Rs. In Lacs)**
Kkalpana Plastick Limited- Associate Company	0.52	36.23%	0.19
Plastic Processors and Exporter Pvt Ltd - Subsidiary Company	(41.50)	100%	(41.50)

Change in nature of Business, if any

There has been no change in the nature of business of the Company. Your Company continues to be one of the leading manufacturers of Polymer compounds in the Country.

Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of the report.

Particulars of Loans, Guarantees and Investments

The Company has not given loans, guarantees or made investments exceeding sixty per cent of the aggregate of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, are provided in the financial statement (please refer to Note 8 and 36 to the financial statement).

Risks and Concerns:

Risk factor is ingratiated to all business activities of all companies, though in varying degrees and forms. As far as your company is concerned, it has an approved risk management policy by the Board of Directors. Risk evaluation and its management is ongoing process within your company and is periodically reviewed by the Board of Directors of your company.

The main risks of your company are as under:

Business risks

Your company has to face intense competition from unorganized sector pertaining to plastic compounds. Further, the raw material prices remain volatile. It is very difficult to estimate the near future raw material cost.

Technology risks

Quality up gradation and product obsolation risks are intertwined with your company's business management. However, the high standard of in-house research and development fortifies the technological risks to some extent.

Financial risks

Currency war is looming on the horizon of global economy. This will make the interest rates of banks rise progressively, a factor which will squeeze margin rate of your company. Moreover, it is feared that obtaining bank finance will also be difficult because nearly all the Public Sector Banks (PSB) are already having large NPAs. Availability of finance will be a crucial factor for your company in the near future, if the financial situations, referred above, do not take a positive turn in the country.

Risk Management Policy

The Board takes responsibility for the overall process of risk management throughout the organization. In terms of requirement of the Companies Act, 2013, the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically. The Company's business units and corporate functions address risk through an institutionalized approach aligned to Company's objective. This is further facilitated by Internal Audit which is reviewed by the Board.

Significant and material orders passed by the regulators

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the company's operations:

Disclosure as per Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal)Act,2013.

As per the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, as amended from time to time, the Company has in place Internal Complaints Committee (ICC) which has been setup to redress complaints regarding Sexual Harassment. The following is the summary of Sexual Harassment complaints received and disposed off during the year under review:

No. of Complaints at the beginning of the Financial Year (i.e. 01.04.2019)	-	Nil
No. of Complaints received during the Financial Year (i.e. 2019-20)	-	Nil
No. of Complaints disposed off during the Financial Year (i.e. 2019-20)	-	Nil
No. of pending at the end of the Financial Year (i.e. 31.03.2020)	-	Nil

All employees (permanent, contractual, temporary & trainees) are covered under the captioned Act. Your directors are pleased to state that working atmosphere of your company is very healthy for male and female employees/ workers.

Particulars of Employees

None of the employees, employed during the year, was in receipt of remuneration, in aggregate of Rupees 1,02,00,000 or more per annum for the financial year 2019-20, or Rs. 8,50,000 or more per month for any part of the Financial Year, as set out in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Therefore, no such details have been provided as required under section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014.

The ratio of remuneration of each Director to the median employee's remuneration and other details in accordance with sub-section 12 of Section 197 of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this report and is marked as **'Annexure 4'**

Extract of Annual Return

Pursuant to the provisions of section 92(3) and 134(3)(a) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is annexed and is marked as ‘**Annexure 5’**.

Vigil mechanism

Pursuant to the requirement of the Section 177(9) of the Companies Act, 2013, the Company has established vigil mechanism which also incorporates a whistle blower policy in terms of the SEBI Listing Regulations. Protected disclosures can be made by a whistle blower through an e mail or phone or letter to the chairman of Audit Committee.

Internal financial controls

The Board has adopted policies and procedures for governance of orderly and efficient conduct of its business, including adherence to the Company’s policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of your Company. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable Indian Accounting Standards (Ind AS) and relevant statures. The Internal Auditor and the Audit Committee reviews the Internal Financial Control system periodically.

Green Initiatives in Corporate Governance

Ministry of Corporate Affairs has permitted companies to send electronic copies of Annual Report, notices, etc. to the registered E-mail addresses of shareholders. Your Company has accordingly arranged to send the electronic copies of these documents to shareholders whose email addresses are registered with the Company/ Depository Participant(s), wherever applicable. In accordance with the MCA and SEBI circulars, issued in view of the COVID-19 pandemic, the Company can send only electronic copies of notice of AGM and Annual Report on registered email addresses of the Shareholders available with the company/RTA or the depositories. Hence physical circulation of notice of AGM and Annual Report is dispensed with; electronic circulation through E-mail shall suffice. Further, the company has also availed the E-Mail updation facility through SMS offered by NSDL and CDSL so as to reach the maximum number of members possible. In accordance with the MCA Circulars and SEBI Circulars, in regards to norms to be followed in view of COVID-19, your company has also adopted the facility of E-Voting at the AGM in addition to the Remote E-Voting facility that is provided in accordance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Human Resources and Industrial Relations

The Industrial relations of the Company with its personnel has continued to be cordial and amicable. Your Directors acknowledge and appreciate the efforts and dedication of employees to the Company. Your directors wish to place on record the co-operation received from the Staff and Workers, at all levels and at all units.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

Your Company has directed its efforts to reduce energy costs by focusing on energy savings through the best optimization of operations on day to day basis. The Company has used fuels in appropriate mix to attain maximum savings.

As required under Companies (Accounts) Rules, 2014, the particulars of energy conservation, Technology Absorption and Foreign Exchange Earnings and outgo is given in the prescribed format as an Annexure to the Report and marked as **Annexure ‘6’**.

Management’s Discussion and Analysis Report

In accordance with Regulation 34 (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , the Management’s Discussion and Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report and marked as **Annexure '7'**.

Corporate Governance

The Company is committed to good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2019, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report. The requisite Certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report and marked as **Annexure '8'**

Compliance with applicable Secretarial Standards

Your company has complied with the applicable provisions of Secretarial Standard-1, Secretarial Standard-2 and Secretarial Standard-3 issued by the Institute of Company Secretaries of India.

Acknowledgement

Your Directors take this opportunity to thank the Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company.

Your Directors also wish to place on record their appreciation to all of the Company's employees and workers at all level for their enormous efforts as well as their collective contribution to the Company's performance.

For and on behalf of the Board of Directors
NarrindraSuranna
(DIN: 00060127)
Chairman& Managing Director

Place: Kolkata
Date:29.06.2020

Annexure – '1'

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST, MARCH, 2020.

To,
The Members,
KKALPANA INDUSTRIES (INDIA) LIMITED
2B PRETORIA STREET
KOLKATA - 700071

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

Based on my verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31ST, March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by KKALPANA INDUSTRIES (INDIA) LIMITED ("the Company") for the financial year ended on 31ST, March, 2020, according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

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

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

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

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

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable, since the company has not raised share capital during the year.**

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   Not applicable, since the company has not issued shares as per (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 during the year.

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

   Not applicable, since the company has not issued any debt securities as per (Issue and Listing of Debt Securities) Regulations, 2008;

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

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

Not applicable, since the company has not applied for delisting of its shares from any stock exchange during the year.

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable, since the company has not bought back of shares during the year**

(vi) Other specifically applicable laws to the Company.

(a) Water (Prevention and Control of Pollution) Act, 1974 and Air (prevention and Control of pollution) Act, 1981.

(b) Factories License under Factories Act, 1948 for its units situated in different places.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India, and

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

However the company could not file Form No. IEPF-1A pursuant to rule 5(4A) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 ,due to non availability of old record of Investors detail as required under Sub-rule 4A of said rule which states " that the companies which have transferred any amount referred to in clauses (a) to (d) of sub-section (2) of section 205C of the Companies Act, 1956 (1 of 1956) to Investor Education and Protection Fund or Central Government, but have not filed the statement or have filed the statement in any format other than excel template, as required under Rule 5(4), shall submit details mentioned in Rule 5(4) in Form IEPF – 1A along with excel template."

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The following changes occurred in the Directors and KMP, however the composition of the Board of Directors during the period under review remains the same:

SL NO.	NAME OF THE DIRECTOR / KMP	PARTICULARS OF CHANGES
1.	MR. RAMYA HARIHARAN	CHANGE IN DESIGNATION (FROM ADDITIONAL DIRECTOR TO INDEPENDENT DIRECTOR)
2.	MR. DEV KRISHNA SURANA	CHANGE IN DESIGNATION (FROM ADDITIONAL DIRECTOR TO WHOLETIME DIRECTOR)
3.	RAMA KANT MISHRA (DIRECTOR)	CESSATION DUE TO DEATH

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Place: KOLKATA
Date: 25.06.2020

ASHOK KUMAR DAGA
FCS No.2699, C P No: 2948

Annnexure- '2'

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

(1) A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.

The Corporate Social Responsibility Policy, which encompasses the company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the "Kkalpana Industries (India) Limited CSR Policy". This policy shall apply to all CSR initiatives and activities taken up at the various work-centers and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

CSR Vision– Providing assistance in the development of weaker sections of the society, promoting health care and zeal of education in every spirit and ensuring environmental sustainability.

The CSR policy of the Company is available on the website of the Company under the head policy at www.kkalpanagroup.com/investor-relations.php .

(2) The Composition of the CSR Committee.

Dr.P.R.Mukherjee - Chairman

Mr. NarrindraSuranna - Member

Mr. Rajesh Kothari - Member

Mr. Samir Kumar Dutta - Member

(3) Average net profit of the company for last three financial years: Rs. 3713.20 Lacs

(4) Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above) Rs.74.26 Lacs

(5) Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year;**Rs. 50.00 Lacs**

(b) Amount unspent, if any :**Rs. 24.26 Lacs**

(c) Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified (relevant clause prescribed under the Act)	Sector in which the project is covered	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Amount outlay (budget project or programme wise)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Details of Implementing Agency
1	Clause(ii) of Schedule VII of the Act.	Promoting special education and enhancing vocation skills especially among differently abled children, and livelihood enhancement projects.	Local area i.e. Kolkata- West Bengal	Rs. 50,00,000	Rs. 50,00,000	Rs. 50,00,000	Adhaar Foundation

6. The reasons for not spending two (2) % of the average net profit of the last three (3) years orany part thereof:

The unspent amount of Rs. 24.26 lacs is carried forward to Financial Year 2020-21 which remained unspent due to negotiation hassles for proper project identification.

7.Responsibility statement:

The CSR Committee of the Board confirms that the implementation and monitoring of CSR Policy is in line with the CSR Objectives and Policy of the Company.

(NarrindraSuranna, Managing Director)　　(Dr.P.R.Mukherjee, Chairman, CSR Committee)

Annexure-'3'

AOC – 1

[Pursuant to first proviso to sub section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statements of subsidiaries/associate companies / joint ventures

Part "A": Subsidiaries

	Name of the Subsidiary	PLASTIC PROCESSORS AND EXPORTERS PRIVATE LIMITED
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2019 to 31.03.2020
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Rupees
3.	Share Capital	5,00,000
4.	Reserves & surplus	(2,02,67,449)
5.	Total assets	11,40,90,537
6.	Total liabilities	11,40,90,537
7.	Investments	-
8.	Turnover	-
9.	Profit before taxation	(58,70,973)
10.	Provision for taxation	-
11.	Profit after taxation	(41,50,352)
12.	Proposed Dividend	-
13.	% of shareholding	100%
Notes: The following information shall be furnished at the end of the statement		
1	Names of Subsidiaries which are yet to commence operations	M/s Kkalpana Plastic Reprocess Industries Middleeast FZE
2	Names of subsidiaries which have been liquidated or sold during the year	M/s Kkalpana Plas Middeast (FZE) LLC #

Please refer to the "Subsidiaries/ Joint Ventures/ Associates" point in the Board's Report. The said company was proposed to be incorporated in the Board Meeting held on 28.10.2019 and decided to be closed at Board Meeting held on 29.06.2020, considering that under current scenario, the project may not be viable. It may be noted that operations had not commenced in the said subsidiary.

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

B. Mukherjee
Partner
Membership No. 002941
Date: 29.06.2020
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

Part "B": Associates and Joint Ventures

	Name of Associates	KKALPANA PLASTICK LIMITED
1.	Latest audited Balance Sheet Date	**31.03.2020**
2.	Shares of Associate held by the company on the year end	
	i. Number	**2002920**
	ii. Amount of Investment in Associates (Rs. In lacs)	**200.29**
	iii. Extend of Holding %	**36.23**
3.	Description of how there is significant influence	**By way of ownership**
4.	Reason why the associate is not consolidated	**N.A.**
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. In lacs)	**Rs. 667.25lacs**
6.	Profit / Loss for the year	
	i.Considered in Consolidation	**Rs.0.19 lacs**
	ii.Not Considered in Consolidation (Rs. In lacs)	**Rs. 0.33 lacs**

1. Names of associates or joint ventures which are yet to commence operations.-N.A.
2. Names of associates or joint ventures which have been liquidated or sold during the year-N.A.

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: 29.06.2020
Place: Kolkata

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

Annexure –'4'

Disclosure in Board's report as per the provisions of section 197(12) of the Companies Act,2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sl. No	Requirements of Rule 5(1)	Name & Designation of Key Managerial Personnel	Details
1	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year.	Mr. N.Suranna, Managing Director	18.99 : 1
		Mr. Rajesh Kothari, Whole Time Director	9.87 : 1
		Dr.P.R.Mukherjee, Whole Time Director	4.69 : 1
		Mr. Dev Krishna Surana, Whole Time Director	4.44:1
2	The percentage increase in remuneration of each director, CFO, CEO,CS or manager, if any, in the financial year.	Mr. Narrindra Suranna, Managing Director	10.00%
		Mr. Rajesh Kothari, Whole Time Director	No change
		Dr.P.R.Mukherjee, Whole Time Director	No change
		Mr. Dev Krsihna Surana, Whole Time Director	Not Applicable (appointed in 2019-20)
		Mr. I.C.Dakalia, Chief Financial Officer	9.15%
		Ms. TanviPanday Company Secretary	11.62%
3	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees in the financial year was increased by 23.96%.	
4	The number of permanent employees on the rolls of Company	There were 334 Employees as on 31.03.2020.	
5	The explanation on the relationship between average increase in remuneration and company performance.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
6	Comparison of the remuneration of the KMP against the performance of the Company.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
7	Variation in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	

Sl. No	Requirements of Rule 5(1)	Name & Designation of Key Managerial Personnel	Details
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increases in the managerial remuneration.	Average salary increase of non-managerial employees is 3.83%. Average salary increase of managerial employees is 17.55% There are no exceptional circumstances for increase in the managerial remuneration and the increase is commensurate to market standards	
9	The key parameters for any variable component of remuneration availed by the directors.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
10	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
12	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMP and other employees.	

Note : Managing Director & Whole Time Directors are Whole Time Directors & Other Directors are Non–Executive Independent Directors , who are paid only sitting fees for attending the Board and Committee meetings. Hence, ratios provided are only for Managing Directors & Whole Time Directors.

For and on behalf of the Board of Directors

NarrindraSuranna
(DIN: 00060127)
Chairman & Managing Director

Place: Kolkata
Date: 29.06.2020

Annexure –'5'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2020
of
KKALPANA INDUSTRIES (INDIA) LIMITED
[Pursuant to Section 92(1) *of the Companies Act, 2013 and* rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L19202WB1985PLC039431
ii	Registration Date	03.09.1985
iii	Name of the Company	KKALPANA INDUSTRIES (INDIA) LIMITED
iv	Category/Sub-category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
v	Address of the Registered office & contact details	2B PRETORIA STREET, KOLKATA – 700 071 Phone : 033 2282 3744 /45, Fax :- 033 2282 3739 E Mail :- Kolkata@kkalpana.co.in Website: www.kkalpanagroup.com
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s C.B.Management Services (P)Ltd P-22, Bondel Road,Kolkata-700019 Phone: 033 2280 6692 / 93/ 94/ 2486 / 4011 6700 Fax: 033 4011 6739 Email:rta@cbmsl.com Website: www.cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Polyethylene	20131	66%
2.	Poly Vinyl Chloride	20131	27%
3.	Others	20131	7%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. N0	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Plastic Processors & Exporter Private Limited Address: 2B, Pretoria Street, Kolkata – 700071	U25209WB2005PTC228791	Subsidiary	100%	2(87)(ii)
2.	Kkalpana Plastick Limited Address- 2B, Pretoria Street, Kolkata – 700 071	L25200WB1989PLC047702	Associate Company	36.23	2(6)
3.	M/s Kkalpana Plastic Reprocess Industries Middleeast FZE Address- Hamriyah Free Zone, Sharjah, United Arab Emirates	Registration No. 18878	Wholly Owned Subsidiary	100%	2(87)(ii)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	764860	0	764860	0.81	763860	0	763860	0.81	-0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	69571685	70000	69641685	74.03	69641685	0	69641685	74.03	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	70336545	70000	70406545	74.84	70405545	0	70405545	74.84	-0.00
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other…	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	70336545	70000	70406545	74.84	70405545	0	70405545	74.84	-0.00
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	125	0	125	0.00	125	0	125	0.00	0.00
C) Central govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	125	0	125	0.00	125	0	125	0.00	0.00
(2) Non Institutions									
a) Bodies corporate									
i) Indian	13167991	139500	13307491	14.15	13162010	139500	13301510	14.14	-0.01
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	5001542	977525	5979067	6.36	4838597	836510	5675107	6.03	-0.33
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	2866934	0	2866934	3.05	2948147	0	2948147	3.13	+0.08

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
c)(i) Non-Resident Individuals	136031	156000	292031	0.31	146570	119500	266070	0.28	-0.03
c)(ii) Clearing Members	4087	0	4087	0.00	8599	0	8599	0.01	+0.01
c)(iii) IEPF	1195133	0	1195133	1.27	1303133	0	1303133	1.39	+0.12
c)(iv) LLP	21517	0	21517	0.02	21517	0	21517	0.02	0.00
c)(v) HUF	0	0	0	0.00	143177	0	143177	0.02	+0.16
SUB TOTAL (B)(2):	22393235	1273025	23666260	25.16	22571750	1095510	23667260	25.16	+0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	22393360	1273025	23666385	25.16	22571875	1095510	23667385	25.16	+0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	92729905	1343025	94072930	100.00	92977420	1095510	94072930	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on31.03.2020)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Tara Devi Surana	75505	0.08	**0.00**	75505	0.08	**0.00**	**0.00**
2	NarrindraSuranna	2000	0.00	**0.00**	1000	0.00	**0.00**	**-0.00**
3	Dev Krishna Suranna	683850	0.73	**0.00**	683850	0.73	**0.00**	**0.00**
4	Surendra Kumar Surana	3505	0.00	**0.00**	3505	0.00	**0.00**	**0.00**
5	ShyambabaTrexim Pvt. Ltd.*	15602530	16.59	**0.00**	0	0.00	**0.00**	**-16.59**
6	Sri Ram Financial Consultants Pvt. Ltd.*	45845640	48.73	**0.00**	0	0.00	**0.00**	**-48.73**
7	Inbara Holdings Pvt. Ltd.*	7275750	7.73	**0.00**	0	0.00	**0.00**	**-7.73**
8	Krishna Commodeals Pvt. Ltd.*	917765	0.98	**0.00**	0	0.00	**0.00**	**-0.98**
9	Bbigplas Poly Private Limited*	0	0	**0.00**	69641685	0.98	**0.00**	**+74.03**

*Pursuant to a scheme of amalgamation sanctioned by the NCLT vide order dated 18.12.2018, the shares of the Kkalpana Industries (India) Limited held by Inbara Holdings Private Limited, Krishna Commodeals Private Limited, ShyambabaTrexim Private Limited and Sri Ram Financial Consultants Private Limited have been transferred to and acquired by Bbigplas Poly Private Limited.

III. Change in Promoters' Shareholding

Sl. No.		Share holding at the beginning of the Year (As on 01.04.2019)		Cumulative Share holding during the year (As on 31.03.2019)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	70406545	74.84	70406545	74.84
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	1000 shares were transferred by Mr. Narrindra Suranna on 28.06.2019			
	At the end of the year	70405545	74.84	70405545	74.84

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

Sl. No.	Shareholding as on 01.04.2019		Transactions during the year		Shareholding as on 31.03.2020	
For Each of the top ten shareholders	No. of Shares	% of total shares of the company	Purchase	Sale	No. of Shares	% of total shares of the company
1. Almond Polytraders Private Limited	7750000	8.24	0	0	7750000	8.24
2. Liable Textiles Private Limited	4465969	4.75	0	0	4465969	4.75
3. Dilip Kumar Himatsinh Parmar	751586	0.80	118543	26310	843819	0.90
4. Meghdoot Arvind Thakkar	614433	0.65	11566	0	625999	0.67
5. Kedar Dattatraya Borgaonkar	602060	0.65	0	65338	536722	0.57
6. Dattatraya Shankar Borgaonkar	346603	0.37	0	0	346603	0.37
7. Rajasthan Global Securities Pvt. Ltd.	277797	0.30	0	60516	217281	0.23
8. Misrilall Mines Pvt. Ltd.	250000	0.27	0	0	250000	0.27
9. Dheeraj Kumar Lohia	198494	0.21	0	348	198146	0.21
10. Chetan B. Upadhyay.	150000	0.16	43491	391	193100	0.21

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
	For Each of the Directors & KMP	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Narrindra Suranna, Managing Director (Executive)	2000	0.0021	1000	0.0011
	Rajesh Kothari, WTD	0		0	
	Pranab Ranjan Mukherjee, WTD	0		0	
	Dev Krishna Surana, WTD	683850	0.73	683850	0.73
	Samir Kumar Dutta, NED & ID	0		0	
	Ramakant Mishra, NED & ID (till 27.02.2020)	0		0	
	Mamta Binani, NED & ID	0		0	
	Ramya Hariharan, NED & ID	0		0	
	I.C.Dakalia, CFO	0		0	
	Tanvi Panday, Company Secretary	0		0	
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	**NO CHANGE DURING THE YAER**			
	At the end of the year	685850	0.7321	684850	0.7311

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amt. Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,080.71	1,977.10	-	12,057.81
ii) Interest due but not paid	25.67	233.35	-	259.02
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	10,106.38	2210.45	-	12,316.83
Change in Indebtedness during the financial year				
• Addition	-	58.86	-	58.86
• Reduction	(2,085.18)	-	-	(2,085.18)
Net Change	(2,085.18)	58.86	-	(2,026.33)
Indebtedness at the end of the financial year				
i) Principal Amount	7,986.34	2,195.21	-	10181.55
ii) Interest due but not paid	34.86	74.10	-	108.96
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8021.20	2,269.31	-	10,290.50

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount (Rs. In Lacs)
		Narrindra Suranna	Rajesh Kothari	Pranab Ranjan Mukherjee	Dev Krishna Surana	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under u/s 17(3) of the Income-tax Act, 1961	77.00	40.00	19.00	18.00	154.00
2.	Stock Option	0.00	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00	0.00
4.	Commission - as % of profit - others, specify…	0.00	0.00	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00	0.00	0.00
	Total (A)	77.00	40.00	19.00	18.00	154.00
	Ceiling as per the Act	Within the ceiling mentioned in part –ii of schedule V of the Companies Act,2013				

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs. In lacs)
		Samir Kumar Dutta	Ramakant Mishra	Mamta Binani	Ramya Hariharan	
	1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	1.50	1.70	0.60	0.60	4.40
	Total (1)	1.50	1.70	0.60	0.60	4.40
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify Sitting fee for attending AGM held on 23.09.2017	0.00 0.10	0.00 0.10	0.00 0.10	0.00 0.00	0.00 0.30
	Total (2)	0.10	0.10	0.10	0.00	0.30
	Total (B)=(1+2)	1.60	1.80	0.70	0.60	4.70
	Total Managerial Remuneration (A+B)					158.40
	Overall Ceiling as per the Act	Within the ceiling mentioned in part –ii of schedule V of the Companies Act,2013				

C. Remuneration of Key managerial Personnel other than MD/Manager /WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (Rs. In Lacs)
		Mr. I.C. Dakalia CFO	Ms. Tanvi Panday CS	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	25.06 0.00 0.00	8.07 0.00 0.00	33.13 0.00 0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	. Commission - as % of profit - others, specify…	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00
	Total (C)	25.06	8.07	33.13

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Total	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeall made if any (give details)
Amount (Rs. In Lacs)					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					

For and on behalf of the Board of Directors

NarrindraSuranna
(DIN: 00060127)
Chairman & Managing Director

Place: Kolkata
Date: 29.06.2020

Annexure-'6'

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules,2014 for the year ended 31st March, 2020.

1. CONSERVATION OF ENERGY.

A) ENERGY CONSERVATION MEASURES TAKEN:

In addition to the existing measures being practiced, the following steps were taken:-

i. Education of workforce at the Head Office regarding use of various office equipments, especially computers in a manner that uses less energy.

ii. Installation of energy efficient equipments, such as Compact Fluorescent Light Bulbs (CFLs) and Battery Charging Systems at all offices.

iii. Adoption of policy of having our heating and cooling equipment serviced regularly.

B) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.

i. Rationalization of Plants to save and optimize use of energy.

ii. Means of conservation of energy currently being utilized in process plants is being studied.

C) IMPACT OF MEASURES AT (A) AND (B) ABOVE.

Energy usage has been controlled due to above mentioned efforts being undertaken by the company.

D) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION.

The particulars are furnished in prescribed Form -A annexed hereto.

2. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are furnished in prescribed Form-B annexed hereto.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO.

A) ACTIVITIES RELATING TO EXPORT, INITIATIVES TAKEN TO INCREASE EXPORTS, DEVELOPMENT OF NEW EXPORT MARKETS FOR PRODUCTS AND SERVICES AND EXPORT PLANS:

Company is making serious efforts for marketing of its products in global markets. With India's growing importance as a low cost manufacturing base with good health, safety and environment practices, your company sees a great export potential in many of its products. Effective steps have been taken in this regards and the company is receiving good responses to its efforts.

B) TOTAL FOREIGN EXCHANGE USED AND EARNED

(Rs. In Lacs)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Total Foreign Exchange earned	26723.71	29,686.29
Total Foreign Exchange used	52340.74	49,265.09

FORM – A

Disclosure of Particulars with respect to Conservation of Energy			
A. Power and Fuel Consumption	Unit	FY 2019-20	FY 2018-19
1. Electricity			
a) Purchased			
Unit	KWH	50,059,924.00	52,323,065.00
Total amount	Rs.	302,904,428.36	293,378,446.46
Rate / Unit	RS./KWH	6.05	5.61
b) Own generation (through diesel generator)			
Unit	KWH	150,608.00	268,508.00
Total amount	Rs.	2,301,345.73	4,837,212.83
Rate / Unit (Average)	RS./KWH	15.28	18.02
2. Coal			
3. Furnace Oil			
4. Other/Internal Generation			
B. Consumption per unit of Production of PVC, XLPE compounds & Master Batches & Agglomerates, Ink etc			
Net saleable production	MT	223,712.07	242,860.08
Electricity	KWH / MT	224.44	216.55

FORM – B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION.

RESEARCH AND DEVELOPMENT

a) Specific areas in which R & D is carried out by your company.

   i) Horizontal and vertical expansion of Company's product profile.

   ii) New & Improved Product Development.

   iii) Up gradation of R&D lab, efforts are being made to develop state of the art R&D centre at Daman works to cater to the growing demand for Hi- Tech products.

b) Benefits derived as a result of R & D.

   Efficiency and yield improvement, loss reduction and modernization programme.

   i) Import Substitution

   ii) Increased Market share for various products.

   iii) Better market penetration of various products.

   iv) Developments of various grades of PVC & XLPE compounds to meet changing market needs.

c) Future Plan of Action.

   The R & D Centre has undertaken development of various grades of PVC Compound to meet the changing conditions.

d) Expenditure on R&D.

(Rs. In Lacs)

Particulars	FY ended 31st March,2020	FY ended 31st March,2019
Capital	25.93	89.51
Recurring	29.21	36.93
Total R & D Expenditure	55.14	126.44

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION.

a) Efforts, in brief, made towards technology absorption, adoption and innovation as above.

b) Benefits derived as a result of the above efforts: New Products are being developed for polymer mixing by up gradation and innovation as enumerated above.

c) No import of technology was carried out during the last 5 years from the beginning of financial year.

For and on behalf of the Board of Directors
NarrindraSuranna
(DIN:00060127)
Chairman and Managing Director

Place: Kolkata
Date:29.06.2020

Annexure '7'

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL OVERVIEW:

According to the International Monetary Fund (IMF), the global economy has hit the worst recession since great depression in 1930s, due to razing pandemic that has nearly stalled all economic activities across the world. Global economic growth which decelerated to 2.9% in 2019 is projected to contract sharply by -3% by 31st December, 2020.

Trade conflicts have erupted around the world especially among China, the United States of America (USA) & European Union (EU) countries. This scenario will affect the economy of many countries including the developing countries like India.

INDIAN ECONOMY

The Indian economy exhibited signs of slowdown during early part of the Financial Year 2019-20 with Gross Domestic Product (GDP) growth declining to 4.8% in the first half, bogged down with muted demand in core sectors.

Overall, the GDP growth for FY 2019-20 was 3.2%, however, the point of concern is that in respect of the quarter ended 31st March, 2020, the GDP growth was down to 3.1%.

India is among the handful of countries which is projected to cling on to a positive growth rate at nearly 2% for the Financial Year 2020-21. It is to be noted that India's foreign exchange reserves stood at US $ 495 billion as on 31.03.2020. The strong foreign exchange reserve base is treated by financial analyst positively. However, merchandise exports and imports (in US $ terms) declined by 1.9% and 8.1%, respectively, in respect of the Financial Year 2019-20.

Industry Overview

Kkalpana Industries (India) Limited ("KKIL") mainly caters to cable and wire companies, packaging, footwear, pipes, automobiles, consumer durables, electrical appliances, electricals and light fittings and electronics.

It is worthwhile to mention here that KKIL has to face tough competition from unorganized sector. This sector is a very big hurdle for the growth of KKIL. Further, the disruption in supply chain network because of COVID-19, will affect the production and productivity of KKIL in 2020-21.

Industry Structure and Developments

India will need to generate 0.5KW of electricity per person to provide reasonable level of living opportunity to its population. Based on current population, projection for 2025 will be 710GW as against 280GW presently. Therefore, the capacity increase for generating power/electricity must be 2.5 times approximately.

The above scenario will benefit your company immensely. Since, it mainly operates in cable and wire industry.

Company's Performance:

Critical financial figures for 2019-20 are as under:-

- Gross turnover for the year is Rs. 1,775.92 Crore against Rs. 2,020.83 Crore in 2018-19.
- PBIDT for the year Rs. 87.89 Crore as against Rs. 114.33 Crore in 2018-19.
- Profit before Tax for the year Rs. 30.33 Crore against Rs.40.42 Crore in 2018-19.
- Capital Structure of the Company as at 31st March 2020 is Rs. 18.81 Cr comprising of 94072930 nos. of equity shares of Rs. 2/- each.

B. Product wise operational performance:-

Product wise, your company is engaged in manufacturing of the following products, the performance of which is discussed below-

Poly Vinyl Chloride

The turnover from Poly Vinyl Chloride is Rs 47,639.70 lacs as against Rs 48,310.54 lacs in the previous year.

Polyethylene

Turnover from Polyethylene is Rs. 115,668.21 lacs in the year under review year as against Rs. 122,807.20 lacs in the previous year.

Agglomerates, Reprocessed Granules, Scraps & Others

Turnover from these items is Rs. 12,913.11 lacs as against Rs. 29,785.45 lacs in the previous year.

Important Ratios in respect of the year ended 31st March, 2020 are as below:

a) Debt Equity Ratio- 0.23 in FY 2019-20 (It was 0.29 in FY 2018-19)
b) Current Ratio- 1.53 in FY 2019-20 (It was 1.34 in FY 2018-19)
c) Interest Coverage Ratio- 1.67 in FY 2019-20 (It was 1.70 in FY 2018-19)
d) Debt Service Coverage Ratio- 0.60 in FY 2019-20 (It was 0.59 in FY 2018-19)
e) Stock Turnover Ratio- 42.92 in FY 2019-20 (It was 56.39 in FY 2018-19)
f) Return on Equity (RoE)- 9% in FY 2019-20 (It was 8% in FY 2018-19)

Future Outlook

The current year scenario is not at all rosy. As per Industry forecast, the Financial Year 2020-21 will be very challenging with the financial landscape facing major turbulence and unprecedented downturn triggered by the pandemic threatening to decimate the fragile economy of the country.

SWOT Analysis

Strength

- Capability of large scale operation allowing economies of sacle of production. The company caters to cable and wire companies, packaging, footwear, pipes, automobiles, consumer durables, electrical appliances, electricals and light fittings and electronics.
- Geographical spread of operation in India allows movement of finished goods at the customers' place, quickly with lower cost of transportation.
- Strong financial base
- Proper mix of workforce (skilled, semiskilled and diversified)

Weakness

- The main weakness will flow from deceleration in Indian Economy
- The supply chain will definitely affect the production line

Threat

- Borrowing from Bank will be difficult because of mounting NPAs (Non Performing Assets) of Banks
- Unorganised Sectors will also eat into the demand segment of the Company

Opportunities

- The ongoing trade conflicts among major countries may be a boon for developing country like India and especially KKIL
- KKIL has established digital technology as a lever to enhance efficiency and productivity. This will expand the profit margins

Risks and Concerns:

Although the Company has comprehensive risk management in place, there is concern about:-

a) Supply Chain
b) Fall in Demand
c) Securing Finance at competitive rates.

The company has comprehensive risk management framework in place, which consists of

a) Process to identity, prioritize and formulate mitigation plans for risks and
b) A framework of rules and regulations for various officials/ employees and the Board, in discharging the risk management process, periodicity of reporting risk management.

As a part of this risk management framework, the company has identified for each conceivable risk and corresponding mitigation plan to ensure continuous risk monitoring and risk mitigation.

Internal Control System.

The Company always strives to strengthen Internal Control Systems and processes for smooth and efficient conduct of business and complies with applicable relevant laws and regulations. A comprehensive delegation of power exists for smooth decision making. Elaborate guidelines for preparation of accounts are followed for uniform compliance. Further, all the key functional areas are governed by respective operating manuals. In order to ensure that all checks and balances are in place and all Internal Control Systems are in work, regular and exhaustive internal audits are conducted by experienced firm if accountants in close co-ordination with the company’s concerned accredited officials.

The Internal Financial Control are reviewed periodically and in particular the Internal Auditors ensure that the company as in all material aspects, laid down Internal Financial Controls including operational controls and that such controls are adequate and operating efficiently.

Human Resources and Industrial Relations

The Company appreciates performance of the employees for the year and anticipates much more for the years to come. Your Company believes in employee empowerment across the entire organization in order to achieve organizational effectiveness. The Human Resource policies are soundly drafted for all levels of employees to serve them motivation, transfer & promotions and to retain the skills. Over a period of time, your company has built and nurtured a dedicated and excellent workforce who consists of engineers, CAs, CSs, MBAs, and advance degree holders like PhDs having a big business portfolio. The Industrial relations of the Company was cordial and there were no instances of employee disputes arising during the year.

Your company has sufficient pool of talents in various operational fields. The Human Resource environment has been very smooth throughout the year.

The company takes special care about the safety, which is core value of the company and all necessary actions are taken in the company to keep safety as priority.

Cautionary Statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company’s objectives, projections, estimates, and expectations and others may constitute ‘forward looking statements’ within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws, natural calamities and so on over which the company does not have any direct control.

For and on behalf of the Board of Directors
NarrindraSuranna
(DIN: 00060127)
Chairman & Managing Director

Place: Kolkata
Date: 29.06.2020

Annexure- '8'

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders. It provides structure to set the objectives, the means to attain them and monitor the performance. It is a commitment to the business ethics and values and not limited to compliances and transparency. Since Large Corporations employ a vast quantum of societal resources, Kkalpana believes that the governance process should ensure that these resources are utilized in a manner that meets stakeholders' aspirations and societal expectations.

Corporate Governance helps to serve corporate purpose by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Corporate governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders.

The Philosophy of the Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms to laws, regulations and guidelines and continue focusing on its resources, strengths and strategies to achieve its vision of becoming a market leader in plastics industries, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to Kkalpana Group.

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence & customer satisfaction and maximizing long term shareholder's value. In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholder's value and commitment to high standard of business ethics.

Some of the major initiatives taken by the Company towards strengthening its corporate governance systems and practices include the following:

Secretarial Audit:

The Company has appointed an independent practicing Company Secretary to conduct Secretarial audit. The Secretarial Audit Report for the financial year 2019-20 forms part of Directors Report.

Role of Company Secretary in overall Governance Process:

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings.

Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India:

The Institute of Company Secretaries of India (ICSI) is one of the premiere professional bodies in India. ICSI has issued Secretarial Standards on important aspects like Board Meetings (SS1), General Meetings (SS2), Payment of Dividend (SS3), Maintenance of Registers and Records, Minutes of Meetings and Transfer / Transmission of Shares. The observance of Secretarial Standards SS1, SS2 and SS3 are mandatory. Rest are recommendatory in nature, the company adheres to the applicable standards voluntarily.

2. BOARD OF DIRECTORS:

The Board of Kkalpana has an appropriate mix of Executive and Non-Executive Directors. The Non-Executive Directors include Independent Directors and a women Director and is in conformity with Regulation – 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Board and Category of Directors is as follows:

a) As on 31st March, 2020, the Board comprises Chairman & Managing Director, three Whole Time Directors, and three non executive independent directors including two Women Director. The

Chairman is an Executive Director. It may be noted that one non executive independent director left for his heavenly abode on 27.02.2020.

b) None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the Companies in which they are Directors. Necessary disclosures regarding Committee positions in other public Companies have been made by the Directors.

c) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last (AGM), as also the number of Directorship and Committee positions held by them in other Companies are given herein below.

Name	Designation	Category	Attendance Particulars		Outside Directorships & Committee Position (excluding Kkalpana Industries (India) Limited) As at 31.03.2020		
			Board Meeting	Last AGM	Other Director ships**	Committee Member-ships#	Committee Chairman-ships#
NarrindraSuranna	Chairman & Managing Director	Executive & Promoter	6	Yes	-	-	-
Rajesh Kothari	Whole Time Director	Executive	4	No	-	2	-
Dr.P.R. Mukherjee	Whole Time Director	Executive	5	Yes	-	1	-
Dev Krishna Surana	Whole Time Director	Executive	5	Yes	-	-	-
Samir Kumar Dutta	Director	Non Executive & Independent	6	Yes	1. Plastic Processors and Exporter Private Limited* 2. Kkalpana Plastick Limited	1	1
Ramakant Mishra	Director	Non Executive & Independent	6	Yes	Kkalpana Plastick Limited	-	3
Mamta Binani	Director	Non Executive & Independent	5	Yes	1. GPT Infraprojects Limited 2. Century Plyboards (India) Limited 3. Emami Cements Limited 4. Skipper Limited 5. Anmol Industries Limited 6. La Opala R G Limited (wef 10.08.2019) 7. Magma Housing Finance Limited (till 27.03.2020)	4	2
Ramya Hariharan	Director	Non Executive & Independent	4	No	1. Tayo Rolls Limited (till 19.10.2019) 2. Al Champdany Industries Limited 3. TRF Limited (wef 19.09.2019) 4. SMIFS Capital Markets Limited (till 15.10.2019) 5. The Indian Steel and Wire Products Limited (wef 05.04.2019) 6. Neo Metaliks Limited (till 04.12.2019) 7. Visa Energy Ventures Limited (till 22.10.2019) 8. Visa Resources India Limited (till 05.04.2019) 9. Visa Urban Infra Limited (till 05.04.2019)	3	-

* Plastic Processors and Exporter Private Limited is a subsidiary of M/s Kkalpana Industries (India) Limited and hence considered as deemed public company.

** Directorship includes only Public Co5mpanies.

Committees includes Audit Committee and Stakeholders Relationship Committee across all companies.

Details of the Directors Seeking appointment / re- appointment at the Annual General Meeting, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 have been given along with the Notice of Annual General Meeting.

As required under the Accounting Standard 18 transaction with related parties are furnished under note 40 of notes on financial statement. There was no transactions of material nature with Promoter Directors or their relatives, etc. that may have potential conflict with the interest of the company. With regards to disclosure received from Directors and senior management there was no transaction with the company which might have potential conflict with the interest of the company at a large.

Shareholdings of directors as on 31.03.2020 are as under:

Name of the Director	No. of Ordinary Shares held	% of Paid – up Capital
Narrindra Suranna	1000	0.001%
Rajesh Kothari	-	-
Dr. P. R. Mukherjee	-	-
Dev Krishna Surana	683850	0.73%
Samir Kumar Dutta	-	-
Ramakant Mishra	-	-
Mamta Binani	-	-
Ramya Hariharan	-	-

3. BOARD AGENDA

Scheduling and Selection

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/ Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board/ Committee Meetings.

Information given to the Board

The dates for the Board Meetings for the ensuing year are decided well in advance and communicated to the Directors. Additional meetings of the Board are held when deemed necessary. Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committee(s). However, in case of business exigencies or urgencies, few resolutions are passed by way of circulation and if required same is supported by an audio call to explain the rationale. The Board periodically reviews compliance reports with respect to laws and regulations applicable to the Company. The recommendations of the Committees are placed before the Board for necessary approvals. The information as enumerated in Part A of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) is made available to the Board of Directors for discussions and considerations

Post Meeting follow up System:

The Governance processes in the Company include an effective post meeting follow-up, review and reporting process for action taken / pending on decisions of the Board. Decisions are promptly communicated to the concerned departments. Action taken report on decisions / minutes of previous meetings is placed at the succeeding meetings of the Board/ Committee for noting.

4. DETAILS OF BOARD MEETINGS DURING THE FINANCIAL YEAR:

The Meetings of the Board of Directors are normally held at the Company’s Registered Office at Kolkata. During the financial year 2019-2020, 6(Six) meetings of the Board were held and the gap between two meetings did not exceed four months (120 days). The dates on which the said meetings were held are as follows:

Sl.No	Date	Sl.No	Date
1	28.05.2019	4	14.11.2019
2	14.08.2019	5	27.01.2020
3	28.10.2019	6	14.02.2020

Board Independence

Based on the confirmation/ disclosures received, pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the Directors, all Non-Executive Directors are Independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. There are no material pecuniary relationships or transactions between the Independent Directors and the Company, except for sitting fees and commission drawn by them for attending the meeting of the Board and Committee(s) thereof. None of the Non-Executive Directors hold any shares or convertible instruments in the Company. None of the Directors are related to each other.

None of the Directors have resigned before expiry of his/her tenure.

A separate meeting of the Independent Directors was held on 14th February, 2020 to discuss inter alia:

1. The performance of the Chairperson of the Company, taking into account the views of Executive and Non- executive Directors;
2. The performance of the Non-Independent Directors and the Board as a whole;
3. The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Board Familiarization and Induction Programme

The Company has adopted a well-structured induction policy for orientation and training of the Non-Executive Directors to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates. The induction programme includes one-to-one interactive sessions with the Executive Directors, Senior Management including the Business CEOs and also includes visit to Company and plant sites and locations. The details of familiarization programmes imparted to independent director is available under the head policy at www.kkalpanagroup.com/investor-relations.php

Code of Business Conduct and Ethics

The Company has laid down a Code of Conduct (COC or the Code) which is applicable to all the Board members and Senior Management of the Company. The COC is available on the website of the Company www.kkalpanagroup.com under the head Policies. The Code has been circulated to all members of the Board and Senior Management and they have affirmed compliance with the Code. A declaration signed by the Managing Director (CEO) to this effect is attached to this Report.

Certification

The certificate required under Regulation 17(8) of the SEBI Listing Regulations duly signed by the Chief Executive Officer and Chief Financial Officer was placed before the Board and the same is provided in this report.

Core Skills of Board

Your Directors posses adequate skills/ expertise/ competencies in the areas of marketing, research and development, finance and accounts, HR/administration, Legal and Operations for smooth operation of the company. The core skills have been Directors have been detailed in the Board's Repoprt.

5. BOARD COMMITTEES:

The Board has constituted Committee(s) of directors, with adequate delegation of powers. The Company Secretary of the Company acts as the Secretary to the Committees. The Board is responsible for constituting, assigning and co-opting the members of the Committees. Each Committee has its own charter which sets forth the purposes, goals and responsibilities of the Committees. These Committees comprise mainly of Independent Directors who as per the terms of reference oversee the Committee's function and executes its duties and responsibilities.

Presently, there are Four Committees– the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The Board periodically reviews the minutes of the meetings of above mentioned Committees. Composition, terms of reference, number of meetings and related attendance etc., of these committees are detailed below:-

5.1 AUDIT COMMITTEE:

During the Financial Year 2019-20, the Audit Committee of the Board comprised of two (2) Non-Executive Directors and one (1) executive Director, however 1 Non executive Director ceased to hold office on account of his demise on 27.02.2020. The Chairperson of the Audit Committee is a Non-Executive Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("hereinafter referred as "SEBI Listing Regulations" or "Listing Agreement")

The CEO, CFO, Statutory Auditors and Internal Auditors also attend the meeting of the Audit Committee as invitees. Other invitees are invited on need basis to brief the Audit Committee on important matters.

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Approval of annual internal audit plan;
2. Review and approval of related party transactions (including Omnibus approval, if any);
3. Review of financial reporting systems;
4. Ensuring compliance with regulatory guidelines;
5. Reviewing the quarterly, half yearly and annual financial results;
6. Discussing the annual financial statements and auditors report before submission to the Board with particular reference to the (i) Director's Responsibility Statement; (ii) changes, if any, in accounting policies (iii) major accounting entries; (iv) significant adjustments in financial statements arising out of audit findings; (v) compliance with listing requirements; (vi) disclosure of related party transactions, if any; (vii)modified opinion, if any, in audit report etc.;
7. Interaction with statutory, internal and cost auditors;
8. Recommendation for appointment, remuneration and terms of appointment of auditors; and
9. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
   (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
   (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

In addition to the above, the Audit Committee also reviews the financial statements, minutes and details of investments made by the subsidiary companies.

All the Members of the Committee have good knowledge of finance, accounts and company law within the meaning of Regulation 18 of SEBI Listing Regulations. During the year under review, the committee met six (6) times on 28.05.2019, 14.08.2019, 28.10.2019, 14.11.2019, 27.01.2020 and 14.02.2020. The Composition of the Committee and the attendance at each Committee Meetings are as follows:-

Name of Director	Category	Attendance of Directors					
		28.05.2019	14.08.2019	28.10.2019	14.11.2019	27.01.2020	14.02.2020
Ramakant Mishra Chairman (till 27.02.2020)	Non Executive Independent	Yes	Yes	Yes	Yes	Yes	Yes
Samir Kumar Dutta Member	Non Executive Independent	Yes	Yes	Yes	Yes	Yes	Yes
Rajesh Kothari Member	Executive, Whole Time Director	Yes	No	Yes	No	Yes	Yes

Power of Audit Committee

The audit committee shall have powers which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

5.2 NOMINATION AND REMUNERATION COMMITTEE :

The composition of the Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The role of Committee inter-alia includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. To consider and evaluate whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

The Nomination & Remuneration Committee comprises of Four (4) members all of whom are Non-Executive Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director.

During FY 2019-20, the Nomination and Remuneration Committee met one (1) time i.e. on 14th February, 2020.

The composition and attendance of members at the meetings held during FY 2019-20, are given below

Composition and Attendance:

Sl. No	Name of Director	Composition	Meeting(s) attended
			14.02.2020
1	Samir Kumar Dutta	Chairman	Yes
2	Ramakant Mishra	Member	Yes
3	MamtaBinani	Member	Yes
4	Ramya Hariharan	Member	Yes

Performance Evaluation Criteria

The Company believes in conducting its business affairs in a fair and transparent manner; giving highest regard to good Corporate Governance practices and ensuring transparency, accountability and equity across all facets of operation and in all interactions with Stakeholders.

The Nomination and Remuneration Committee had laid down the evaluation criteria for performance evaluation of every director including Independent director and the Board pursuant to the Corporate Governance norms prescribed by the Companies Act, 2013 and SEBI Listing Regulations.

Remuneration Policy:

Nomination and Remuneration Committee recommends the remuneration for the Executive Directors, key managerial personnel and other employees. The recommendation is then approved by the Board and Shareholders. The remuneration paid to Executive Directors is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance. Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as individual Professionals/ Business Executives. Since Independent Non-Executive Directors receive only sitting fees for attending Board and Committee Meetings, therefore, no criteria for making payments, other than sitting fees, is determined.

The Non-Executive Directors of the Company have a crucial role to play in the independent functioning of the Board. They bring in an external and wider perspective to the deliberations and decision-making by the Board. The Independent Directors devote their valuable time to discussions in the course of the Board and Committee meetings of the Company. They also help to ensure good corporate governance norms.

The responsibilities and obligations imposed on the Non- Executive Directors have recently increased manifold owing to new legislative initiatives. Contribution of the Non-Executive Directors in Board and Committee Meetings, time devoted by them, participation in strategic decision making, performance of the Company and industry practices and benchmarks forms the main criteria for determining payments to Non- Executive Directors.

The remuneration of the Non- Executive Directors (NEDs) of the Company is decided by the Board of Directors. The Non- Executive Directors of the Company are being paid sitting fees of Rs. 10000 /- for attending each meeting of Board and Committees of Directors. Besides sitting fees, the Non Executive Directors of the company were not paid any other remuneration or commission.

The Company pays remuneration to its Managing Director and Whole Time Directors by way of salary, perquisites and allowances, based on the recommendation of the Committee, approval of the Board and shareholders. The Board, on the recommendation of the Nomination and Remuneration Committee, approves the annual increments (effective from 1st April each year).

Details of Remuneration Paid to Executive & Non- Executive Directors:

(Amount in Rs.)

Name	Position	Sitting Fees	Salary & Perks	Commission	Total
Narrindra Suranna	Chairman & Managing Director	Nil	77,00,000	Nil	77,00,000
Rajesh Kothari	Whole Time Director	Nil	40,00,000	Nil	40,00,000
Dr. P.R.Mukherjee	Whole Time Director	Nil	19,00,000	Nil	19,00,000
Dev Krishna Surana	Whole Time Director	Nil	18,00,000	Nil	18,00,000
Samir Kumar Dutta	Non Executive Independent Director	1,60,000	Nil	Nil	1,60,000
Ramakant Mishra	Non Executive Independent Director	1,80,000	Nil	Nil	1,80,000
Mamta Binani	Non Executive Independent Director	70,000	Nil	Nil	70,000
Ramya Hariharan	Non Executive Independent Director	60,000	Nil	Nil	60,000

5.3. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The main function of the Stakeholders' Relationship Committee is to strengthen the investor relations.

The Committee looks into redressal of shareholders' complaints and proper and timely attendance on the investors grievances. The key responsibilities of the Committee are as under:

(i) Redressal of Shareholders'/Investors' complaints;

(ii) Non-receipt of declared dividends, annual reports of the Company; and

(iii) Recording of Share Transfer(s)/ Transmission(s) and Issue of Duplicate Share(s).

(iv) Carrying out any other function as prescribed under in the SEBI Listing Regulations.

Composition

Mr. Ramakant Mishra -Non Executive Independent Director–Chairman

Mr. Rajesh.Kothari – Executive Director - Member

Dr.P.R.Mukherjee–Executive Director- Member

Mr. Ramya Hariharan (wef 05.04.2019)-Member

The Committee meets 4times in the year 2019-20.

Sl. No	Name	Meeting Attendance			
		28.05.2019	14.08.2019	14.11.2020	14.02.2020
1	Mr. Ramakant Mishra	Yes	Yes	Yes	Yes
2	Mr. Rajesh Kothari	Yes	No	No	Yes
3	Dr.P.R.Mukherjee	Yes	Yes	Yes	Yes
4	Mrs. Ramya Hariharan	No	No	No	Yes

The Company Secretary of the Company is the Compliance Officer. No complaints were received nor were any complaints pending to be resolved during the financial year 2019-20

5.4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The prime responsibility of the Corporate Social Responsibility Committee is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

Terms of Reference

Terms of reference of the Corporate Social Responsibility Committee includes the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy and any amendments thereof, indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under;
2. To recommend the amount of expenditure to be incurred on the CSR activities as per CSR Policy;
3. To monitor the CSR Policy of the Company from time to time;
4. To institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company;
5. Any other matter/ thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

Composition

The Corporate Social Responsibility Committee comprises the following four members:

Dr. P.R.Mukherjee –Chairman

Mr. NarrindraSuranna – Member

Mr. Rajesh Kothari – Member

Mr. Samir Kumar Dutta - Member

The Committee met 2 times i.e. on 28.05.2019 and 14.02.2020 during the year 2019-20, wherein all its members were present.

The Corporate Social Responsibility Committee's composition meets the requirements of Section 135 of the Companies Act, 2013.

6. DETAILS OF GENERAL MEETING :

Annual General Meeting :

The last Three Annual General Meetings were held as under :

Financial Year	Date	Time	Venue	Special Business, if any.
2018-2019	27th September, 2019	10:00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata – 700 071	Ratification of Remuneration payable to Cost Auditor; Appointment of Mrs. Ramya Hariharan (DIN: 06928511) as Director and also as Independent Director of the Company Appointment of Mr. Dev Krishna Surana (DIN: 08357094) as Director and also as Whole Time Director of the Company.
2017-2018	27th September, 2018	10:00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata – 700 071	Ratification of Remuneration payable to Cost Auditor; Re-appointment of Dr. Pranab Ranjan Mukherjee as Whole Time Director of the Company Ratification of appointment of Mr. Samir Kumar Dutta as Non Executive Independent Director of the Company.
2016-2017	23rd September, 2017	10:00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata – 700 071	Ratification of Remuneration payable to Cost Auditor; Re-appointment of Mr. Narrindra Suranna as Managing Director of the Company Re-appointment of Dr. Pranab Ranjan Mukherjee as Whole Time Director (Technical) of the Company Appointment of Mr. Samir Kumar Dutta as Independent Director of the Company.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

6.1 <u>Extraordinary / other General Meeting</u>: No extraordinary General Meeting of the Shareholders was held during the year.

6.2 <u>Postal Ballot</u>: During the year under review no postal ballot was held

6.3 <u>Pledge of Shares</u>

No Pledge has been created over the Equity Shares held by the Promoters and/or Promoters Group. During the Financial Year ended 31st March, 2020. Necessary declarations in this regard, by respective promoter and/ or Promoters Group, pursuant to Regulation 31(4) of SEBI (Substantial Acquisition and Shares Takeover) Regulations, 2011, have been received.

6.4 <u>Review of legal compliance reports</u>

During the year, the Board periodically reviewed reports placed by the management with respect to compliance of various laws applicable to the Company. The Internal Auditors also review the compliance status and report to the Audit Committee.

7. DISCLOSURES :

7.1 <u>Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large</u> :-

There are no materially significant transactions made by the company with its promoters, Directors or Management or relatives etc. that may have potential conflict with the interest of the Company at large.

However, attention of the members is drawn to the disclosure of transactions with the related parties and transactions as required under Accounting Standard (AS) 18 on Related Party Disclosures issued by The Institute of Chartered Accountants of India, set out in Notes to financial statement no 40, forming part of the Annual Report.

The policy on dealing with related party transactions is available under the head policy in https://www.kkalpanagroup.com/investor-relations.php.

The policy for determining 'material' subsidiaries is available under the head policy in https://www.kkalpanagroup.com/investor-relations.php.

7.2 <u>Details of Non compliance</u>:-

The company has complied with the requirements of the stock exchanges, SEBI and other authorities on all matters relating to capital market during last three years. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other authorities relating to the above.

7.3 <u>Disclosure of Risk Management</u> :-

The company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by Senior Executives.

7.4 <u>Proceeds from Issues, if any</u> :- Not Applicable.

7.5 <u>Whistle Blower Policy / Vigil Mechanism</u>

The Audit Committee of the Company have formulated certain procedures to govern the receipt, retention, and treatment of complaints regarding the Company's accounting, internal accounting controls or auditing matters, and to protect the confidential, anonymous reporting of director(s) or employee(s) or any other person regarding questionable accounting or auditing matters.

During the year, no concerns have been reported under this mechanism. It is also affirmed that no personnel has been denied access to the Audit Committee.

7.6 Discretionary Requirements

Disclosure details of some of the Discretionary Requirements, as per Part E of Schedule II to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are as below:

The Board

The Board of the Company is chaired by an Executive Director who maintains the Chairman's office at the Company's expense.

Modified opinion(s) in audit report

There was no qualification, observation or adverse remark by the auditors on the financial statements of the Company.

Separate posts of Chairperson and Chief Executive Officer

The office of Chairman and Chief Executive officer of the Company are held by same individual.

Reporting of internal auditor

As per the requirements, the internal auditor may report directly to the Audit Committee. The same is reported by briefing the Audit Committee through discussion.

The Company has made all disclosures regarding compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of SEBI Listing Regulations, in the section on corporate governance of the annual report.

7.7. Other Disclosures

Brief profile and other information , pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation , 2015, in respect of Directors seeking appointment / re appointment at the AGM, is given elsewhere in the Annual Report;-

Management Discussion and Analysis Report are given separately and forms part of Annual Report.

7.8 CEO and CFO Certification

The Chairman and Managing Director (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)pertaining to CEO / CFO certification for the financial year ended 31st March, 2019. The same is reproduced below;

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification

To,
The Board of Directors,
Kkalpana Industries (India) Ltd,
2B, Pretoria Street,
Kolkata – 700 071

Sub: CEO & CFO Certificate

(Issued in accordance with provisions of Regulation 17(8) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

Mr. Narrindra Suranna ,CEO and Mr. I.C.Dakalia, CFO heading the finance function have certified to the Board that :

A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. They have indicated to the auditors and the Audit committee

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) that they are not aware of any instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date: 29.06.2020	I.C.Dakalia	NarrindraSuranna (DIN:00060127)
Place: Kolkata	Chief Financial Officer	CEO

8 CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT.

The Company has adopted the code of conduct for Senior Management and Directors. The code has been circulated to all the members of the Board and senior management and the same has been put on the Company's website (http://kkalpanagroup.com/investor-relations.php) under the head Code of Conduct. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Managing Director and CEO of the Company appointed in terms of the Companies Act, 2013 is annexed separately to this report.

9 MEANS OF COMMUNICATION :

Financial Results

In compliance with the requirements of SEBI Listing Regulations, the Company has intimated the financial results to the stock exchanges immediately after they are taken on record by the Board. Further coverage has been given for the benefit of the shareholders and investors by publication of the financial results in the leading national dailies like Economic Times / Financial Express / Business Standard etc., and a local vernacular newspaper (ArthikLipi) circulated in the state of West Bengal. Up-to-date financial results, annual reports, shareholding patterns and other general information about the Company are available on the Company's website http://www.Kkalpanagroup.com.

BSE Corporate Compliance & Listing Centre (the "Listing Centre"):

The Listing Centre of BSE is a web based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are also filed electronically on the Listing Centre and readily available on their website www.bseindia.com.

SEBI Online Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are:

Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Your Company is registered on SCORES.

10 CODE OF INSIDER TRADING:

In pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "Code of Conduct for Prevention of Insider Trading" with objective of Preventing purchase and or sale of shares of the company by an insider on the basis of unpublished price sensitive information. Further the Trading Window has been closed for the Directors and Employees of the Company as per Insider Trading Code in force in the Company. The code of conduct for insider trading is available on the Company's website (http://kkalpanagroup.com/investor-relations.php) under the head Code of Conduct.

11 GENERAL SHAREHOLDERS INFORMATION :

(i) Annual General Meeting (AGM)

Day, Date & Time	:	Tuesday, the 29th September, 2020 at 11:00 A.M. (through VC/OAVM)
Deemed Location of meeting	:	2B, Pretoria Street, Kolkata – 700 071 (Registered Office of the Company)
(ii) Date of Book Closure	:	Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive)
(iii) Dividend (for FY 2019-20) payment date	:	04.10.2020.

(iv) Financial Calendar for Year 2020-2021 (tentative)

The Company follows the financial year from April to March.

For the quarter ending	30th June, 2020*	Within 45 days of
For the quarter & half year ending	30th September, 2020	the end of the
For the quarter & nine months ending	31st December, 2020	quarter.
For the quarter & year ending	31st March, 2021 (Audited)	With in 60 days of the end of the Quarter/Year.

* Due to the COVID-19 pandemic, the timeline for various submissions for the quarter ended 30th June, 2020 were extended by MCA and SEBI and duly complied by the Company.

(v) Listing on Stock Exchanges: The Share of the Company is listed in the following Exchanges.

Name of the Stock Exchanges	Stock Code
The Bombay Stock Exchange Ltd.(BSE)	526409
The Calcutta Stock Exchange Ltd. (CSE)	10029050

The Company has paid the annual listing fees for the financial year 2019-20 to all the exchanges and has paid the custodial fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2019-20.

(vii) Dematerialisation of Shares and Liquidity:

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their holdings in physical form, with any one of the Depositories namely National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). The ISIN No. for the Equity Shares of the Company is INE301C01028. As on 31st March, 2019, 92977420 shares representing 98.83% of the Equity Shares stand dematerialised. It may be noted that in respect of shares held in demat form, all the request of shares held in demat form, all the requests for nomination, change of address, NECS, Bank Mandate and rematerialisation etc. are to be made only to the Depository Participant (DP) of the Shareholders.

(viii) Registrar & Transfer Agent:

All communications related to share matters of the Company should be made to M/s. C B Management Services (P) Limited. Address of which is given below:

M/s. C B Management Services (P) Limited
P-22- Bondel Road, Kolkata – 700 019
Phone: 033 2280 6692 / 93/ 94/ 2486 / 4011 6700
Fax: 033 2287 0263
E mail: rta@cbmsl.com

(ix) Share Transfer System:

The Board has authorized Registrar and Share Transfer Agents for processing of share transfers/ transmissions, which are taken on record and ratified by the Company's Stakeholder Relationship Committee.

This Committee meets as and when required for approving the share transfers/transmissions except those rejected on technical grounds.

Pursuant to Regulation 40(9) of the SEBI Listing Regulation, certificate has been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Also, pursuant to Regulation 55A of SEBI(Depositories and Participants) Regulations, 1996, certification is done by a Company Secretary-in-Practice regarding timely dematerialisation of the shares of the Company.

The Company has appointed M/s. CB Management Services (P) Limited as a common agency for share registry work (both physical & electronic) in compliance of circular No. D&CC/FITTC/CIR15/2002 dated 27th December, 2002 issued by SEBI, for all matters connected with transfers and transmissions of shares and also dematerialization of shares and other related functions.

(x) Investor Grievance Redressal System.

The investor grievances against the company are handled by the Company's Registrar and Transfer Agents (RTA), in consultation with the Secretarial Department of the Company. The Registrars have adequate skilled staff with professional qualifications and advance computer systems for speedy redressal of investor's grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerized to ensure timely settlement. It normally takes 15 days from the date of receipt of complaint for disposal of investor grievances.

Nil Investor's complaint / queries was received and resolved during the year under review or were required to be resolved.

(xi) Unpaid / Unclaimed Dividend.

Pursuant to section 124 of the Companies Act, 2013, unpaid or unclaimed dividend upto the financial year 2011-12 have been transferred to the General Revenue Account of the Central Government.

The unpaid / unclaimed dividend for the financial year ended 31st March, 2013 and thereafter , which remains unpaid / unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members, who have not yet enchased their dividend warrants for the financial year 31st March, 2013 or any subsequent financial years, are requested to lodge their claims without any delay. It is important to note that once the unclaimed dividend is transferred to the aforesaid, no claim shall lie in respect of thereof on the company. Then the shareholders have to claim dividend from the Central Government.

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e.27.09.2019), with the Ministry of Corporate Affairs.

(xii) Market Price Data :

The shares of the company are currently traded at BSE. The Stock Market data from 1st April, 2019 to 31st March , 2020 are given below :

Months	Bombay Stock Exchange Limited			
	Monthly High Price	Monthly Low Price	Sensex Highest	Sensex Lowest
April 2019	23.00	19.15	39487.45	38460.25
May 2019	23.50	16.65	40124.96	36956.10
June 2019	23.30	17.05	40312.07	38870.96
July 2019	20.00	14.40	40032.41	37128.26
August 2019	17.25	13.00	37807.55	36102.35
September 2019	18.95	13.10	39441.12	35987.80
October 2019	19.85	13.00	40392.22	37415.83
November 2019	22.70	17.00	41163.79	40014.23
December 2019	20.75	14.20	41809.96	40135.37
January 2020	22.85	18.05	42273.87	40476.55
February 2020	23.50	15.65	41709.30	38219.97
March 2020	19.95	11.95	39083.17	25638.90

(xiii) Distribution Schedule as on 31.03.2020

Range of Shares	No of Share Holders	% of Total Share Holders	No of Shares	% of Total Share Holdings
1 to 500	4195	75.14	1369350	1.45
501 to 1000	616	11.03	571755	0.61
1001 to 2000	279	5.00	447543	0.48
2001 to 3000	158	2.83	402436	0.43
3001 to 4000	64	1.15	231885	0.25
4001 to 5000	65	1.16	312801	0.33
5001 to 10000	88	1.58	651775	0.69
10001 to Above	118	2.11	90085385	95.76
TOTAL	**5583**	**100.00**	**94072930**	**100.00**

(xiv) Share Holding Pattern as on 31.03.2020

Category	No. of Shares Held	% of holding
Promoter's Holding		
i) Individual / HUF	763860	0.81
ii) Bodies Corporate	69641685	74.03
Total Promoter's Holdings	**70405545**	**74.84**
Non Promoter's Holding		
Mutual Funds / UTI	0	0.00
Financial Institutions / Banks	125	0.00
Body Corporate	13301510	14.15
IEPF	1303133	1.39
Indian Public	8623254	9.16
Non-Resident Indian	266070	0.28
Clearing Members	8599	0.01
LLP	21517	0.02
HUF	143177	0.15
Total Non Promoters Holdings	**23667385**	**25.16**
Total	**94072930**	**100%**

(xv) Outstanding GDRs/ ADRs/ Warrants / Convertible Instruments and likely impact on Equity:

The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments to be converted into equity shares.

(xvi) Corporate Identification Number (CIN)

The Company is registered with the Registrar of Companies, Kolkata, West Bengal.The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L19202WB1985PLC039431.

(xvii)Credit Rating

CRISIL has given the following credit rating to your company:

Long Term Rating	CRISIL A- / Stable
Short Term Rating	CRISIL A2+

(xviii) Reconciliation of Share Capital Audit

A Qualified Practicing Company Secretary carried out the Quarterly Reconciliation of Share Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) of the total issued and listed Equity Share Capital. The Report on Reconciliation of Share Capital confirms that the total issued/paid up capital is in agreement with the total number of shares.

(xix) Green Initiative In Corporate Governance

One of the most important components of Corporate Governance is to communicate with the shareholders through effective means. Being a responsible corporate citizen, the Company supports the ‘Green Initiative’ undertaken by the Ministry of Corporate Affairs, Government of India. The Company, sends Annual Reports, Intimation for dividend payment, Notices related to General Meetings and Postal Ballot by email to those shareholders whose email ids are registered with the Company. Physical copies of the documents are sent to those shareholders whose email ids are not registered and to those who have requested the same to be sent in physical copies. However, in compliance with the MCA Circulars and SEBI Circular in relation to relaxations due to COVID-19, NO physical copies of Annual Report are being sent in respect of Financial Year 2019-20 and 35th AGM of the company.

Your Company strongly urges our shareholders to support the Green Initiative by giving positive consent by registering/ updating your email addresses with your respective Depository Participants or the Registrar and Transfer Agents of the Company, CB Management Services Private Limited for the purpose of receiving soft copies of various communications including the Annual Report and also update / register their bank details for direct receipt of dividend, when declared, to their bank account.

(xx) Share Capital History of the Company:

Security Description	Date of Allotment	No.of Shares	Issue Price		Distinctive Numbers	ISIN Code
			Value	Premium		
Subscribers to the Memorandum	03.09.1985	200	10	-	1-200	INE301C01028
Further Allotment to promoters and others	24.03.1987	200	10	-	201-400	INE301C01028
Further Allotment to promoters and others	11.11.1987	500	10	-	401-900	INE301C01028
Further Allotment to promoters and others	29.03.1988	399100	10	-	901-4,00,000	INE301C01028
Public Issue	27.10.1988	600000	10	-	4,00,001-10,00,000	INE301C01028
Public Issue	03.12.1993	4144000	10	5	10,00,001-51,44,000	INE301C01028
Right Issue	28.12.1993	2456000	10	5	51,44,001-76,00,000	INE301C01028

Security Description	Date of Allotment	No.of Shares	Issue Price		Distinctive Numbers	ISIN Code
			Value	Premium		
Amalgamation	27.06.2006	3953600	10	-	76,00,001-1,15,53,600	INE301C01028
Conversion of Warrants	12.08.2010	3000000	10	70	1,15,53,601-1,45,53,600	INE301C01028
Conversion of Warrants	17.09.2010	3000000	10	70	1,45,53,601-1,75,53,600	INE301C01028
Amalgamation	22.09.2010	9,40,986	10	-	1,75,53,601-1,84,94,586	INE301C01028
Amalgamation	29.09.2011	3,20,000	10	-	1,84,94,587-1,88,14,586*	INE301C01028

* The face value of shares has been reduced from Rs.10/- to Rs. 2/- in the year 2015. Hence, Number of equity Shares at present is 94072930.

(xxi) Plant Locations :

1. Kolkata Works -
   Village – Bhasa, No.14, P.O. & P.S. Bishnupur, Diamond Harbour Road, South 24 Parganas, W.B.- 743503, India.
2. Daman Works –
   168/151-158, Dhabel Industrial Co- Operative Soceity Ltd, Dhabel, Daman – 396210, India
3. Dadra I & II Works -
   Survey No.24/3, Village – Demini, Demini Road, Dadra, Dadra & Nagar Haveli – 396193, India.
4. Dadra III Works-
   Survey No. 219/2/3, Lane Beside Hotel Nirmal Palace, Opp: Saha Containers, Dadra- 396193
5. Surangi Works - Survey No. 320/1/1/2/2, Vill - Surangi, Chikhali Road, Silvassa - 396 240 (Dadra & Nagar Haveli)
6. Falta Works –
   Falta Special Economic Zone, Plot No- 29, Sector – I, Village – Simulberia, Mouza – Bisra, Dist.- South 24 PGS.

(xxii) Address for correspondence :

The shareholders may contact the Company / RTA on the following addresses :

General Correspondence :

1. Kkalpana Industries (India) Limited
   Secretarial Department,
   2B, Pretoria Street,
   Kolkata – 700 071
   Phone : 033 2282 3744 /45
   Fax : 033 2282 3739
   E mail : kolkata@Kkalpana.co.in

Correspondence related to shares / queries/requests :

2. M/s. C B Management Services (P) Limited
   P-22- Bondel Road, Kolkata – 700 019
   Phone: 033 2280 6692/93/94/2486/4011 6700
   Fax: 033 2287 0263
   E mail: rta@cbmsl.com

Declaration regarding Affirmation of Code of Conduct

I hereby declare that, all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchanges, for the year ended 31st March, 2020.

For Kkalpana Industries (India) Limited

Place : Kolkata
Date: 29.06.2020

Narrindra Suranna
DIN:00060127
Chairman & Managing Director

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To, the Members of

Kkalpana Industries (India) Limited.

We have examined the compliance of conditions of Corporate Governance by Kkalpana Industries (India) Limited for the year ended 31st March, 2020 as per the relevant provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

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

For B.Mukherjee& Co
Chartered Accountants
(B.Mukherjee)
Partner
Membership No.002941

Place : Kolkata
Dated : 29.06.2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KKALPANA INDUSTRIES (INDIA) LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **KKALPANA INDUSTRIES (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's Response
Inventory- existence and valuation As at March 31, 2020, the Company held inventories of Rs.15,228.77 Lakhs. (Refer note 11 of standalone financial statements) Inventories existence and valuation was an audit focus area because of nation wide lockdown imposed by Government of India in view of pandemic coronavirus (COVID 19). AS explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, physical verification of inventories, lying at various locations as on the Balance sheet date and subsequently also till the date of this report, couldn't be carried out. We have accordingly designated this as a focus area in the audit.	**Audit Procedures Performed** We have performed following alternative audit procedures over inventory existence and valuations. Ensuring the effectiveness of the design, implementation and maintenance of controls over change in inventory to determine whether the conduct of physical inventory verification at a date other than the date of the financial statement is appropriate and testing of those controls whether those have been operated effectively. Preforming procedures to ensure that the changes in inventory between the last verification date and date of the balance sheet are properly recorded (Roll forward procedures). Performing substantive analytical procedures to test the correctness of inventory existence and valuation. Testing the accuracy of inventory reconciliations with the general ledger at period end, including test of reconciling items. The procedures performed gave us a sufficient evidence to conclude about the inventory existence and valuation.

Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the standalone financial statement and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of ant identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014

   e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) 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 financial statements.

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For B.Mukherjee & Co.,

Chartered Accountants

Firm Registration No : 302096E

B.Mukherjee

(Partner)

Mem No : 002941

UDIN:- 20006601AAAADM3680

Place: Kolkata
Date: 29th day of June, 2020

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT TO THE MEMBERS OF THE KKALPANA INDUSTRIES (INDIA) LIMITED OF EVEN DATE:

i. In respect of its fixed assets:

   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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. Due to COVID 19 related nationwide lockdown, the Management was not able to perform year end physical verification of inventory.

iii. According the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firm, subsidiary, limited liability partnership or other parties covered in the register maintained under section 189 of the companies Act,2013, Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.

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. The provision of clause 3(v) of the Order are not applicable to the Company.

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 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of Income Tax , goods and service tax, sales tax, duty of excise, duty of custom service tax and value added tax, cess which have not been deposited on account of any dispute except the following :-

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	CIT(A)

*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. The Company has not raised Term Loan during the year.

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

B.Mukherjee
(Partner)
Mem No : 002941
UDIN:- 20006601AAAADM3680

Place: Kolkata
Date: 29th day of June, 2020

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE "B" REFERRED TO IN PARAGRAPH 2(F) UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT TO THE MEMBERS OF THE KKALPANA INDUSTRIES (INDIA) LIMITED OF EVEN DATE:

Report on the Internal Financial Controls Over Financial Reporting 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 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

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 2020, 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

B.Mukherjee
(Partner)
Mem No : 002941
UDIN:- 20006601AAAADM3680

Place: Kolkata
Date: 29th day of June, 2020

BALANCE SHEET AS AT 31st MARCH, 2020

(Rs. In Lacs)

	Note No.	As at 31st March, 2020	As at 31st March, 2019
A ASSETS			
1 Non-current Assets			
Property, Plant and Equipment	4	23,432.46	24,282.70
Capital Work-in-Progress	5	-	-
Investment Property	6	1,281.68	1,281.68
Other Intangible Assets	7	14.42	18.98
Financial Assets			
(i) Investments	8	236.79	236.79
(ii) Other Financial Assets	9	113.85	390.66
Other Non-Current Assets	10	38.39	78.01
		25,117.59	**26,288.82**
2 Current Assets			
Inventories	11	15,228.77	15,714.37
Financial Assets			
(i) Trade Receivables	12	23,851.92	31,030.91
(ii) Cash & Cash Equivalents	13	1,511.08	1,692.07
(iii) Other Financial Assets	9	411.45	469.26
Other Current Assets	14	4,464.50	5,176.20
		45,467.72	**54,082.81**
Total		**70,585.31**	**80,371.63**
B EQUITY & LIABILITIES			
1 Equity			
Equity Share Capital	15	1,881.46	1,881.46
Other Equity	16	32,746.50	29,971.96
		34,627.96	**31,853.42**
2 Non Current Liabilities			
Financial Liabilities			
(i) Borrowings	17	3,588.81	5,029.86
Provisions	18	246.49	163.88
Deferred Tax Liabilities (net)	19	2,398.33	2,910.24
		6,233.63	**8,103.98**
3 Current Liabilities			
Financial Liabilities			
(i) Borrowings	20	4,888.39	7,027.95
(ii) Trade Payables	21		
- Micro & Small Enterprises		506.75	314.32
- Others		20,109.69	28,688.96
(iii) Other Financial Liabilities	22	3,222.60	3,158.13
Other Current Liabilities	23	541.99	447.57
Provisions	24	117.16	122.53
Current Tax Liabilities (net)	25	337.14	654.77
		29,723.72	**40,414.23**
Total		**70,585.31**	**80,371.63**
Significant Accounting Policies and other information	1-3		

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

For and on behalf of 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 : 29th June, 2020
Place : Kolkata

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, 2020

(Rs. In Lacs)

		Note No.	As at 31st March, 2020	As at 31st March, 2019
I	**INCOME**			
	Revenue from Operations	26	176,221.02	200,903.19
	Other Income	27	1,370.75	1,179.65
	Total Income		**177,591.77**	**202,082.84**
II	**EXPENSES**			
	Cost of Materials Consumed	28	153,134.87	176,433.05
	Changes in Inventories of Finished Goods & Work-in-Progress & Stock-in-Trade	29	(38.89)	(917.30)
	Employee Benefits Expense	30	3,898.66	4,167.60
	Finance Costs	31	4,540.74	5,743.98
	Depreciation & Amortization Expense	4-7	1,215.25	1,647.35
	Other Expenses	32	11,808.53	10,965.86
	Total Expenses		**174,559.16**	**198,040.55**
III	**PROFIT BEFORE EXCEPTIONAL ITEMS & TAXATION**			
	Exceptional items			
III	**PROFIT BEFORE TAX**		**3,032.61**	**4,042.29**
	Tax expense	33		
	Current tax		680.46	1,319.06
	Deferred tax		(532.67)	161.49
	Tax for earlier years		(178.97)	-
	Total Tax expense		**(31.18)**	**1,480.54**
IV	**PROFIT FOR THE YEAR AFTER TAX**		**3,063.79**	**2,561.75**
V	**OTHER COMPREHENSIVE INCOME**	34		
	i Items that will not be classified to profit and loss		(26.78)	(25.36)
	ii Income tax relating to items that will not be classified to profit and loss		9.27	8.78
	Total Other Comprehensive Income For The Year		**(17.51)**	**(16.58)**
VI	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		**3,046.28**	**2,545.17**
	EARNING PER EQUITY SHARE			
	(Face value of Rs 2/- each)			
	Basic (Rs.)		**3.26**	**2.72**
	Diluted (Rs.)		**3.26**	**2.72**
	Significant Accounting Policies and other information	1-3		

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

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

B. Mukherjee
Partner
Membership No.002941
Date : 29th June, 2020
Place : Kolkata

For and on behalf of 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 CASH FLOW FOR THE YEAR ENDED 31st MARH 2020

(Rs. In Lacs)

Particulars	STANDALONE			
	2019-20		2018-19	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax from continuing operations		**3,032.62**		4,042.29
Adjustment for:				
Depreciation & amortization expense	**1,215.25**		1,647.35	
Loss/(Profit) on sale of fixed assets	**89.18**		18.85	
Unwinding of Interest on security deposit	**(10.89)**		(5.96)	
Finance cost	**4,540.74**		5,743.98	
Interest income	**(88.53)**		(75.60)	
Other comprehensive income	**(26.78)**		(25.36)	
Provision for Doubtful debts	**-**		12.81	
Bad debts written off	**9.16**		3.44	
Notional rent on Security deposit	**7.94**		6.90	
		5,736.07		7,326.41
Operating profit before Working Capital changes		**8,768.69**		11,368.70
Adjustments for Working Capital changes				
Decrease/(increase) in non current financial assets				
Other financial assets	**6.30**		(12.91)	
Decrease/(increase) in other non current assets	**31.68**		386.88	
Decrease/(increase) in inventories	**485.60**		(170.47)	
Decrease/(increase) in current financial assets				
Trade receivables	**7,169.83**		2,451.38	
Loans	**-**		741.39	
Other financial assets	**57.80**		(123.08)	
Decrease/(increase) in other current assets	**711.70**		840.35	
Increase/(decrease) in non current provisions	**82.62**		69.89	
Increase/(decrease) in current financial liabilities				
Trade payables	**(8,386.84)**		2,211.44	
Other financial liabilities	**164.85**		345.98	
Increase/(decrease) in other current liabilities	**94.42**		(12.68)	
Increase/(decrease) in short term provisions	**(5.36)**		33.57	
		412.60		6,761.74
Cash generated from operations		**9,181.29**		18,130.44
(Tax paid) / refund received (net)		**(789.10)**		(941.00)
Net cash from operating activities		**8,392.19**		17,189.44
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment, CWIP and Intangible assets	**(480.94)**		(2,425.73)	
Sale proceeds of Property, Plant and Equipment	**31.32**		11.47	
Interest receipt on investments	**88.52**		75.60	
Increase in investment in Term deposit	**281.40**		(117.58)	
Purchase of current investments (net)	**-**		(0.50)	
Net cash generated / (used) in investing activities		**(79.70)**		(2,456.74)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARH 2020

Particulars	STANDALONE 2019-20		2018-19	
C. CASHFLOW FROM FINANCING ACTIVITIES				
Repayment of long term borrowings	**(1,659.16)**		(1,654.57)	
Increase/(decrease) in short term borrowings	**(2,089.87)**		(7,260.07)	
Dividend paid	**(225.78)**		(225.78)	
Taxes on dividend Paid	**(45.96)**		(45.96)	
Finance cost	**(4,472.71)**		(5,542.09)	
Net cash from financing activities		**(8,493.48)**		(14,728.47)
Net changes in Cash and Bank balances		**(180.99)**		4.24
Net Increase / (-) Decrease in Cash and Bank balances				
Balance at the end of the year		**1,511.08**		1,692.07
Balance at the beginning of the year		**1,692.07**		1,687.83
Net changes in Cash and Bank balances		**(180.99)**		4.24

Notes:-

(i) 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.

(ii) Disclosures of NetReconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities given in note no. 44

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 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 : 29th June, 2020
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, 2020

A. EQUITY SHARE CAPITAL (Refer Note No. 15)

(Rs. In Lacs)

	As at 31st March, 2020	As at 31st March, 2019
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. 16)

For the year ended 31st March, 2020

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	Capital Reserve & Amalgamation Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2019	**852.96**	**5,322.45**	**3,400.00**	**20,434.27**	**(37.73)**	**29,971.95**
Add : For the Year	**-**	**-**	**-**	**3,063.80**	**(17.51)**	**3,046.29**
Less: Equity Dividend for the year 2018-19	**-**	**-**	**-**	**(225.78)**	**-**	**(225.78)**
Less: Corporate Dividend Tax for the year 2018-19	**-**	**-**	**-**	**(45.96)**	**-**	**(45.96)**
Balance as at 31st March, 2020	**852.96**	**5,322.45**	**3,400.00**	**23,226.33**	**(55.24)**	**32,746.50**

For the year ended 31st March, 2019

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	Capital Reserve & Amalgamation Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2018	852.96	5,322.45	3,400.00	18,144.26	(21.15)	27,698.53
Add : For the Year	-	-	-	2,561.75	(16.58)	2,545.17
Less: Equity Dividend for the year 2017-18	-	-	-	(225.78)	-	(225.78)
Less: Corporate Dividend Tax for the year 2017-18	-	-	-	(45.96)	-	(45.96)
Balance as at 31st March, 2019	852.96	5,322.45	3,400.00	20,434.27	(37.73)	29,971.96

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 : 29th June, 2020
Place : Kolkata

For and on behalf of 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 Financial Statements for the year ended 31st March, 2020

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, 2020 were authorised for issue in accordance with a resolution of the Board of Directors as on 29.06.2020

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.

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.

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.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

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 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 and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and reported amount of revenue and expenses during the period. 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 below :-

(i) Estimation of employee defined benefit obligations

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

(ii) Estimation of current tax expenses

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the

level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the

company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if

estimates of future taxable income during the carry forward period are reduced.

(iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an
estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(iv) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is
reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

(v) Allowance for credit losses on receivable

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company

considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

Variable Consideration

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those.

Revenue is recognized for each performance obligation either at a point in time or over time.

Sale of goods: Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc.

Contract balances:

Trade Receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required before payment of the consideration is due).

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfer goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the company performs under the contract.

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.

3.2 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, 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.

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 in Part - C 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 :

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 Intangible 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 except SAP, a new Enterprise Resource Planning (ERP) System which has been implemented and ammortised during the year.

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

Accounting Policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings and warehouses. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.7 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.

Notes to the Financial Statements for the year ended 31st March, 2020

3.8 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.

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.

Notes to the Financial Statements for the year ended 31st March, 2020

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.

3.9 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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.

3.14 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 116-Leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

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 in Finalcial year 2018-19 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.
However for the Financial year 2019-20 the company has opted to compute income tax liabilities at a lower rate of 22% plus applicable surcharge and cess u/s Sec 115 BAA of the Taxation laws (Amendment Act 2019). Thereby, the company has to forego various exemptions, deductions specified in this behalf in the Act. Also the company will not be required to pay Minimum Alternate Tax under section 115JB of the Act and also will not be able to claim MAT credit for taxes paid under MAT. Hence, the carrying amount of MAT credit has been written off in current year.

3.16 Provisions, Contingent Liabilities and Contingent Assets

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. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.Contingent Assets are not recognised but disclosed in the financial statements when economic inflow is probable.

3.17 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.

3.18 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

- 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.

3.19 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.

04.Property Plant and Equipment

(Rs. In Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2019	Addition during the year	Sales/ Disposals	As at 31-03-2020	As at 01-04-2019	For the Period	Sales/ Disposals	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
TANGIBLE ASSETS:										
Free hold land	1,608.30	-	-	1,608.30	-	-	-	-	1,608.30	1,608.30
Factory Building	7,202.93	206.96	13.83	7,396.07	1,387.02	287.84	3.05	1,671.81	5,724.26	5,815.91
Plant & Machinery	16,937.31	117.10	116.11	16,938.30	2,043.75	618.70	27.88	2,634.56	14,303.74	14,893.56
Furniture & Fixture	247.63	12.79	-	260.42	77.38	22.66	-	100.04	160.38	170.25
Motor Car	271.80	59.64	110.30	221.14	105.45	33.25	89.28	49.41	171.73	166.35
Scooter, Moped &Cycle	1.66	-	-	1.66	0.30	0.18	-	0.48	1.18	1.36
Laboratory Equipment	793.02	25.93	-	818.95	188.01	73.49	-	261.50	557.45	605.02
Electrical Installation	1,447.14	23.19	-	1,470.33	557.40	141.44	-	698.83	771.49	889.74
Office Equipment	78.99	26.43	0.68	104.75	27.55	16.81	0.20	44.16	60.60	51.45
Air Conditioner	70.84	-	-	70.84	19.22	3.70	-	22.92	47.91	51.62
Computer	53.22	8.90	-	62.12	24.09	12.60	-	36.69	25.43	29.14
Total	**28,712.85**	**480.94**	**240.91**	**28,952.88**	**4,430.15**	**1,210.68**	**120.42**	**5,520.41**	**23,432.46**	**24,282.70**
Previous year	26,111.14	2,639.30	37.60	28,712.85	2,991.11	1,446.32	7.29	4,430.15	24,282.70	23,120.03

Notes to the Financial Statements for the year ended 31st March, 2020

05. Capital Work In Progress

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2019	Addition during the year	Adjust-ments	As at 31-03-2020	As at 01-04-2019	For the Period	Adjustments	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Capital Work-in-Progress	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Previous year	410.14	730.26	1,140.40	-	-	-	-	-	-	410.14

06. Investment Property

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2019	Addition during the year	Sales/ Disposals	As at 31-03-2020	As at 01-04-2019	For the Period	Sales/ Disposals	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
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**
Previous year	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 01-04-2019	Addition during the year	Sales/ Disposals	As at 31-03-2020	As at 01-04-2019	For the Period	Sales/ Disposals	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Technical Knowhow	0.20	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	228.12	-	-	228.12	209.34	4.56	-	213.91	14.22	18.78
Total	**228.33**	**-**	**-**	**228.33**	**209.34**	**4.56**	**-**	**213.91**	**14.42**	**18.98**
Previous year	31.77	196.56	-	228.33	8.31	201.03	-	209.34	18.98	23.45

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. 46for 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, 2020 is Rs.388.28 lacs (31st March, 2019: Rs.76.07 Lac)

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

B Disclosures for Investment Property

B1. The Company has identified and reclassifed Land at West Bengal amounting Rs 1281.68 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, 2020

(Rs. In lacs)

8 FINANCIAL ASSETS:- NON-CURRENT INVESTMENTS	Face Value Rs.	No. of Shares / Units As at 31st March 2020	No. of Shares / Units As at 31st March, 2019	Amount As at 31st March 2020	Amount As at 31st March, 2019
Equity Instruments - Fully paid up					
Unquoted					
(a) Subsidiary-At Cost					
(i) Plastic Processors and Exporters Pvt Ltd.	10	**50,000**	49,994	**36.50**	36.50
(b) Others-At Fair Value Through Profit and Loss					
(i) Panchawati Holiday Resorts Ltd.	10	**9,400**	9,400	**-**	-
Quoted					
(a) Associate-At Cost					
(i) Kkalpana Plastick Limited	10	**2,002,920**	2,002,920	**200.29**	200.29
(b) Others-At Fair Value Through Profit and Loss					
(i) Bank of Baroda/Dena Bank	10	**1**	14	**-**	-
(ii) Nicco Corporation Ltd.	2	**826,194**	826,194	**-**	-
Total Investments				**236.79**	236.79
Less: Provision for diminution in the value of Investments				**-**	-
Net Investments				**236.79**	236.79
Notes:					
Aggregate carrying amount of Quoted Investments				**200.29**	200.29
Aggregate market value of Quoted Investments				**44.06**	61.89
Aggregate amount of Unquoted Investments				**36.50**	36.50
Aggregate amount of Impairment in the value of Investments				**-**	-

9. FINANCIAL ASSETS - OTHERS	Non Current As at 31st March 2020	Non Current As at 31st March, 2019	Current As at 31st March 2020	Current As at 31st March, 2019
Unsecured, considered good				
(a) Security Deposit	**113.85**	109.26	**154.18**	65.95
(b) Investment in Term Deposits (with remaining maturity of more than 12 months)	**-**	281.40	**-**	-
(c) Derivative Instruments				
Foreign Exchange Forward Contracts	-	-	**19.88**	-
Foreign Currency Options	-	-	**-**	-
(d) Others - Advances Recoverable from				
Employees	-	-	**117.37**	116.76
Others	-	-	**75.03**	23.60
(e) Interest Accrued	-	-	**44.99**	262.94
Total	**113.85**	390.66	**411.45**	469.26

10. OTHER NON CURRENT ASSETS	As at 31st March 2020	As at 31st March, 2019
(a) Capital Advances		
(i) Unsecured - considered good	**25.81**	57.53
(b) Prepaid Rent	**12.58**	20.48
Total	**38.39**	78.01

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.

Notes to the Financial Statements for the year ended 31st March, 2020

(Rs. In lacs)

11. INVENTORIES	As at 31st March 2020	As at 31st March, 2019
(As taken valued and certified by the management)		
At Cost or NRV whichever is lower		
(a) Raw materials		
- In Stock	**11,167.66**	11,695.53
- In Transit	**-**	19.89
(b) Finished goods		
- In Stock	**3,707.82**	3,668.93
(c) Stores and spares- at Cost		
- In Stock	**353.29**	330.02
Total	**15,228.77**	15,714.37

- During the year ended 31st March 2020 and year ended 31st March, 2019 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.

(Rs. In lacs)

	As at 31st March 2020	As at 31st March, 2019
12. TRADE RECEIVABLES		
(a) Unsecured, considered good		
(i) Others	**23,518.40**	30,722.98
(ii) Related Parties	**965.38**	939.79
	24,483.78	31,662.77
Less: Allowancefor bad and doubtful debts	**631.86**	631.86
Total (Net of Provision)	**23,851.92**	31,030.91

- 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.

13. CASH & CASH EQUIVALENTS	As at 31st March 2020	As at 31st March, 2019
(a) Balance with banks:		
(i) In Current Accounts	**82.45**	501.65
(ii) In EEFC Account	**395.34**	141.80
(ii) In Deposit with Original Maturity of less than 3 months	**995.35**	371.35
(b) Cash in hand (As certified by the management)	**21.74**	18.50
(c) Other Bank Balance		
(i) Unpaid Dividend account	**16.20**	22.21
(ii) Deposits with more than 3 months initial maturity	**-**	636.56
Total	**1,511.08**	1,692.07

Notes to the Financial Statements for the year ended 31st March, 2020

(Rs. In lacs)

14. OTHER CURRENT ASSETS	As at 31st March 2020	As at 31st March, 2019
(a) Other Advances		
Unsecured, considered good		
(i) Balances with government departments	**3,744.59**	4,902.91
(ii) Advance to Suppliers	**190.94**	63.67
(b) Prepaid Expenses	**528.97**	209.57
(c) Prepaid Rent	**-**	0.04
Total (Net of Provision)	**4,464.50**	5,176.20

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.

15. EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity)	As at 31st March 2020	As at 31st March, 2019
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
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

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

Particulars	As at 31st March 2020		As at 31st March 2019	
	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
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

(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 ofthe 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 2020		As at 31st March, 2019	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Bbigplas Poly Pvt Ltd.	**69,641,685**	**74.03**	69,641,685	74.03
2	Almond PolyTraders Pvt Ltd	**7,750,000**	**8.24**	7,750,000	8.24

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

Notes to the Financial Statements for the year ended 31st March, 2020

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

(a) Security Premium

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 2020	As at 31st March, 2019
As per Last Financial Statement	**5,322.45**	5,322.45
Add: During the year	**-**	-
	5,322.45	5,322.45

(b) Capital Reserve and Amalgamation Reserve	**As at 31st March 2020**	As at 31st March, 2019
As per Last Financial Statement	**852.96**	852.96
Add: During the year	**-**	-
	852.96	852.96

(c) General Reserve

The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.

	As at 31st March 2020	As at 31st March, 2019
As per Last Financial Statement	**3,400.00**	3,400.00
Add: During the year	**-**	-
	3,400.00	3,400.00

(d) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

	As at 31st March 2020	As at 31st March, 2019
As per Last Financial Statement	**20,434.27**	18,144.26
Less: Equity Dividend	**(225.78)**	(225.78)
Less: Corporate Dividend Tax	**(45.96)**	(45.96)
Add: During the year	**3,063.80**	2,561.75
	23,226.34	20,434.27

(e) Other Comprehensive Income	**As at 31st March 2020**	As at 31st March, 2019
As per Last Financial Statement	**(37.73)**	(21.15)
Add: During the year	**(17.51)**	(16.58)
	(55.24)	(37.73)
Total Reserves (a+b+c+d+e)	**32,746.50**	29,971.96

Notes to the Financial Statements for the year ended 31st March, 2020

(Rs. In lacs)

17. LONG TERM BORROWINGS	Non Current As at 31st March 2020	Non Current As at 31st March, 2019	Current * As at 31st March 2020	Current * As at 31st March, 2019
Secured				
(a) Term Loans				
I From Banks				
(i) Rupee Loan	**1,366.04**	3,022.36	**1,669.57**	1,626.58
II From Others				
(i) From Banks - Vehicle Loan	**27.56**	30.40	**34.78**	28.08
Total (Net) (a)	**1,393.61**	3,052.76	**1,704.35**	1,654.66
Unsecured				
(b) Long term loan				
-Related Party	**2,195.21**	1,977.10	**-**	-
Total (Net) (b)	**2,195.21**	1,977.10	**-**	**-**
Grand Total (Net) (a+b)	**3,588.81**	5,029.86	**1,704.35**	**1,654.66**

* Refer Note No.22

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	10.20%	01st April 2017
(ii) Rupee Loan-HDFC	Repayable in 15 equal quarterly installments starting from 30th june 2017.	31stDec 2020	9.00%	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 .	31st Dec 2021	11.10%	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	9.75%	06th Jan 2017
II From Others				
(i) Vehicle Loan-	60 equal monthly instalment			
Unsecured				
(b) Long term loan/deposits				
RELATED PARTY				
Bbigplas Poly Pvt. Ltd.	Repayable on Demand after 30th March 2022		4.00%	

Notes to the Financial Statements for the year ended 31st March, 2020

Details of terms of security for long term borrowings

a) Rupee Loan from SBI, 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 and movable fixed assets at Dhulagarh Unit and 2nd pari passu charge by way of hypothecation over entire current assets, stock and book debts of the company both present and future.

b) The unsecured loan from Promoter group Company Bbigplas Poly Pvt Ltd, is subordinated to State Bank of India.

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

(Rs. In lacs)

18. LONG TERM PROVISIONS	**As at 31st March 2020**	As at 31st March, 2019
(a) Employee benefits		
(i) Gratutiy (Refer Note No. 38(b))	**246.49**	163.88
Total	**246.49**	163.88

19. DEFERRED TAX LIABILITIES (NET)	**As at 31st March 2020**	As at 31st March, 2019
(a) Liabilities :		
Depreciation and ammortization expenses	**2,427.78**	3,094.94
Items under financial assets and financial liabilities giving temporary differences	**171.20**	322.43
Total (a)	**2,598.98**	3,417.37
(b) Assets :		
Items under financial assets and financial liabilities giving temporary differences	**200.65**	41.85
Provision for doubtful debts & obsolescence	**-**	220.80
MAT Credit Entitlement*	**-**	244.48
Total (b)	**200.65**	507.12
Net Liability (a-b)	**2,398.33**	2,910.24

Reconciliation of Deferred Tax Assets/ Liabilites (Net):	**As at 31st March 2020**	As at 31st March, 2019
Opening balance as at the beginning of the Year	**2,910.24**	2,420.17
Tax (benefit) / expense during the period recognised in profit or loss	**(532.67)**	161.49
MAT Credit Entitlement utilised/(availed)*	-	337.36
MAT Credit Entitlement utilised/(availed) for earlier years*	**30.02**	-
Tax impact on items of Other Comprehensive income that will not be classified to profit & loss	**(9.27)**	(8.78)
Closing balance as at the end of the Year	**2,398.33**	2,910.24

*Refer Note No. 54

20. SHORT TERM BORROWINGS	**As at 31st March 2020**	As at 31st March, 2019
Secured		
(a) Loans repayable on demand		
Cash credits from bank *	**999.15**	2,527.95
Working Capital Demand Loan from Bank	**1,900.26**	4,500.00
(b) Other Loans and advances		
Buyer's credit from bank *	**1,988.98**	-
Total	**4,888.39**	7,027.95

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

* Working Capital facilities (fund based and non fund based limits) are secured by 1st pari passu charge by way of equitable mortgage over property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai-400066 and by way of hypothecation over entire current assets, stock and trade receivables of the company both present and future and 2nd 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 and movable fixed assets at Dhulagarh Unit.

Notes to the Financial Statements for the year ended 31st March, 2020

(Rs. In lacs)

21. TRADE PAYABLES	As at 31st March 2020	As at 31st March, 2019
(a) Micro & Small Enterprises	**506.75**	314.32
(b) Others		
Acceptances secured *	**17,156.69**	26,834.51
Sundry Creditors for goods	**2,248.22**	928.04
Sundry Creditors for expenses	**704.78**	926.40
Total	**20,616.43**	29,003.28

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

Micro enterprises and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the confirmations received in response to intimation in this regard sent to the suppliers. Interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 due and remaining unpaid as at March 31, 2020 – Rs 2.27 lacs.

22. CURRENT FINANCIAL LIABILITIES-OTHER	As at 31st March 2020	As at 31st March, 2019
(a) Current maturities of long-term debts (Refer Note No.17)	**1,704.35**	1,654.66
(b) Interest payable on Unsecured Loan	**74.10**	233.35
(c) Interest accrued but not due on borrowings	**34.86**	25.67
(d) Unpaid dividends #	**16.20**	22.21
(e) Derivative Instruments		
(i) Foreign Exchange Forward Contracts	**-**	101.58
(ii) Foreign Currency Options	**-**	5.46
(f) Others		
(i) Creditors for Capital Goods	**132.73**	210.91
(ii) Other Liability	**1,260.36**	904.29
Total	**3,222.60**	3,158.13

\# There is no amount due & outstanding to be creditedto the Investor Education & Protection Fund.

23. OTHER CURRENT LIABILITIES	As at 31st March 2020	As at 31st March, 2019
(a) Advance payments from customers	**481.32**	357.83
(b) Other payables		
(i) Statutory dues	**60.67**	89.74
Total	**541.99**	447.57

24. SHORT TERM PROVISIONS	As at 31st March 2020	As at 31st March, 2019
(a) Employee benefits		
Leave encashment (unfunded)	**117.16**	122.53
Total	**117.16**	122.53

25. CURRENT TAX LIABILITIES	As at 31st March 2020	As at 31st March, 2019
Income Tax(Net of Payments)	**337.14**	654.77
	337.14	**654.77**

Notes to the Financial Statements for the year ended 31st March, 2020

(Rs. In lacs)

26. REVENUE FROM OPERATIONS	For the Year 2019-20	For the Year 2018-19
(a) Sale of Products		
(i) Polyethylene	115,668.21	122,807.20
(ii) Poly Vinyl Chloride	47,639.70	48,310.54
(iii) Others	12,913.11	29,785.45
Total	176,221.02	200,903.19

27. OTHERINCOME	For the Year 2019-20	For the Year 2018-19
(a) Interest income	88.53	75.60
(b) Exchange difference other than considered as finance cost (net)	702.08	906.87
(c) Export Incentive	139.80	98.99
(d) Unwinding of Interest on security deposit	10.89	5.96
(e) Fair Value gain or (losses) on derivatives	19.88	(107.04)
(f) Insurance Claim Received	58.89	34.38
(g) Other Miscelleaneous Income	350.68	164.88
Total	1,370.75	1,179.65

28. COST OF MATERIALS CONSUMED	For the Year 2019-20	For the Year 2018-19
Inventory at the begining of the year	11,715.42	12,374.41
Add: Purchases during the year	152,587.11	175,754.17
Add: Stock In Transit	-	19.89
Less: Raw Material at the end of the Year	11,167.66	11,715.42
Total Cost of Material Consumed	153,134.87	176,433.05
Details of Raw Material Consumed		
LLDPE/ LDPE	80,575.50	99,244.99
PVC Resin	33,940.11	32,952.14
Plastic Scrap	4,359.69	6,330.80
Other items	34,259.57	37,905.12
	153,134.87	176,433.05

29. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE	For the Year 2019-20	For the Year 2018-19
(a) Stocks at the beginning of the year		
Finished goods	3,668.93	2,751.63
(b) Less: Stocks at the end of the year		
Finished goods	3,707.82	3,668.93
Total	(38.89)	(917.30)

Notes to the Financial Statements for the year ended 31st March, 2020

(Rs. In lacs)

30. EMPLOYEE BENEFITS EXPENSE

	For the Year 2019-20	For the Year 2018-19
(a) Salaries, Wages, Bonus and Gratuity	**3,723.74**	3,991.93
(b) Contribution to Provident and other funds	**73.67**	63.70
(c) Workmen and staff welfare expenses	**101.26**	111.97
Total	**3,898.66**	4,167.60

31. FINANCE COSTS

	For the Year 2019-20	For the Year 2018-19
(a) Interest expense		
(i) To Banks	**3,312.94**	3,800.65
(ii) To Others	**114.00**	119.17
(b) Other borrowing costs	**895.69**	1,628.23
(c) Unwinding of Interest	**218.11**	195.93
Total	**4,540.74**	5,743.98

32. OTHER EXPENSES

	For the Year 2019-20	For the Year 2018-19
(a) Consumption of Stores and Spare Parts	**304.84**	215.75
(b) Power & Fuel	**3,052.06**	2,744.36
(c') Rent (Refer Note No. 52)	**643.33**	647.98
(d) Repair & Maintenance - Building	**165.45**	140.91
(e) Repair & Maintenance - Machinery	**343.22**	630.53
(f) Repair & Maintenance - Others	**180.49**	234.37
(g) Insurance Charges	**324.66**	202.33
(h) Rates & Taxes	**43.41**	75.97
(i) Payments to Auditors (Refer Note (i) below)	**6.25**	3.75
(j) Directors' Fees	**4.60**	3.70
(k) Bad debts / Advances Written off	**9.16**	3.44
(l) Loss on sale of fixed assets	**89.18**	18.85
(m) Selling & Distribution Expenses	**5,130.49**	4,739.45
(n) Security Charges	**146.37**	138.93
(o) Professional & Consultancy Charges	**191.64**	225.08
(p) Provision for doubtful debts	**-**	12.81
(q) CSR expenses (Refer Note No. 37)	**50.00**	83.08
(r) Miscellaneous expenses	**1,123.38**	844.57
Total	**11,808.53**	10,965.86

Refer Note :- 1

Auditors' remuneration and expenses

Audit fees	**3.10**	3.10
Tax audit fees	**0.65**	0.65
Fees for other services	**2.50**	-
	6.25	3.75

Notes to the Financial Statements for the year ended 31st March, 2020

(Rs. In lacs)

33 Income Tax	For the Year 2019-20	For the Year 2018-19
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	**680.46**	1,319.06
(ii) Deferred Tax expense/ (benefit)	**(532.67)**	161.49
(iii) Tax for earlier years	**(178.97)**	-
	(31.18)	1,480.54
(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	**9.27**	(8.78)
	9.27	(8.78)
Total (a+b)	**(21.91)**	1,471.77

II Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2020 and 31st March, 2019:

Accounting profit before income tax as per Ind AS	**3,032.62**	4,042.29
At Income tax rate of 25.168% (31st March, 2019: 34.944%)	**763.25**	1,412.54
Tax effect of items that are not deductible for tax purpose	**20.12**	47.02
MAT Credit Written off (Refer Note No. 54)	**214.46**	-
Change in Rate Impact *	**(882.57)**	28.88
Tax for Earlier Years	**(178.97)**	-
Others	**29.59**	-
Tax effect of deductions under Chapter VIA of Income Tax Act, 1961	**(6.33)**	(16.67)
At the effective income tax rate	**(40.45)**	1,471.77
Income tax expense reported in the statement of profit and loss	**(40.45)**	1,471.77
Difference	-	-

* Note - The Company elected to exercise the option of lower tax rate permitted under section 115BAA of the Income-tax Act,1961. The Company, accordingly has recognized Provision for Income Tax and re-measured its Deferred Tax Liabilities basis the rate prescribed in the said section. The impact of this change has been recognized in the Statement of Profit & Loss for year ended including write back of deferred tax liabilities relating to earlier years of Rs 882.57 lakhs.

34. Other Comprehensive Income	For the Year 2019-20	For the Year 2018-19
i Items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans	**(26.78)**	(25.36)
ii Income tax relating to items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans	**9.27**	8.78
Total	**(17.51)**	(16.58)

Notes to the Financial Statements for the year ended 31st March, 2020

35 OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS **(Rs. In Lacs)**

Contingent liabilities & Commitments

		As at 31st March, 2020	As at 31st March, 2019
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**	338.77
B	**Bank Gurantee**	**772.83**	807.88
C	**Capital Commitments**		
	Estimated Value of contracts in Capital account remaining to be excecuted and not provided for (Net of advances)	**388.28**	76.07
D	**Other Commitments**		
	Letter of Credit	**2,151.90**	2,572.16

36 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 to subsidiary and other parties.

B. Investment Made

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

C. SecuritiesGiven

There is no security given during the year.

37 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. 74.26 lacs (PY Rs. 73.08 lacs).

(b) Amount unspent as at 31.3.2020 Rs. 24.26 lacs (P.Y 31.3.2019 Rs. Nil)

(c) Amount spent during the year 2019-20 and shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 32):

(Rs. In Lacs)

Sl. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
(i)	Spent during the year	**50.00**	83.08
(ii)	Yet to Spend	**24.26**	-
	Total	**74.26**	83.08

38 DISCLOSURES AS REQUIRED BY IND AS 19, EMPLOYEE BENEFITS

(a) Defined contribution plans:

	As at 31st March, 2020	As at 31st March, 2019
Contribution to defined contribution plan, recognised as expense for the year as under:		
(i) Employer's contribution to Government Provident Fund, Pension Fund & ESI	**73.67**	63.70
Total	**73.67**	63.70

(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 withLife Insurance Corporation of India, is provided for as assets/ (liability) in the books. Actuarial gains/ (losses)

Notes to the Financial Statements for the year ended 31st March, 2020

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		
	As at 31st March, 2020	As at 31st March, 2019
(A) Change in present value of the obligation during the year		
(1) Present value of obligation at year beginning	**293.63**	219.85
(2) Current service cost	**43.87**	37.54
(3) Interest cost	**22.61**	16.79
(4) Benefits paid	**(3.04)**	(3.70)
(5) Actuarial (gain) / loss arising from changes in demographic assumptions	**-**	-
(6) Actuarial (gain) / loss arising from changes in financial assumptions	**22.32**	5.10
(7) Actuarial (gain) / loss arising from changes in experience adjustments	**1.96**	18.05
(8) Present value of obligation at year end	**381.36**	293.63
(B) Change in fair value of plan assets during the year		
(1) Fair value of plan assets at year beginning	**130.35**	125.87
(2) Interest income on plan assets	**9.95**	9.69
(3) Expected return on plan assets other than interest income	**(2.49)**	(2.21)
(4) Contribution made by the Employer *	**0.70**	0.10
(5) Benefits paid	**(3.04)**	(3.70)
(6) Fair value of plan assets at year end	**135.47**	129.75
(C) Reconciliation of obligation and fair value of assets		
(1) Present value of the obligation at year end	**381.36**	293.63
(2) Fair value of plan assets at year end	**135.47**	129.75
(3) Funded status [surplus / (deficit)]	**(245.89)**	(163.88)
(D) Expense recognised in the Statement of Profit and Loss		
(1) Current service cost	**43.87**	37.54
(2) Interest cost	**22.61**	16.79
(3) Interest income on plan assets	**(9.95)**	(9.69)
Net cost recognised in Profit or Loss	**56.53**	44.64
(E) Recognised in Other Comprehensive Income		
(1) Expected return on plan assets other than interest income	**2.49**	2.21
(2) Actuarial (gain) / loss arising from changes in demographic assumptions	**-**	-
(3) Actuarial (gain) / loss arising from changes in financial assumptions	**22.32**	5.10
(4) Actuarial (gain) / loss arising from changes in experience adjustments	**1.96**	18.05
Net (gain)/ loss recognised in Other Comprehensive Income	**26.78**	25.36
(F) Net Defined benefit liability/(Asset) Reconciliation		
(1) Net Defined benefit liability/(Asset) at the beginning of the year	**163.28**	93.98
(2) Defined benefit cost included in P/L	**56.53**	44.64
(3) Total remeasurement included in OCI	**26.78**	25.36
(4) Employers contribution*	**(0.70)**	(0.70)
Net Defined benefit liability/(Asset) at the end of the year	**245.89**	163.28

*Note - The difference of Rs. 60,000 is due to the refund pertaining to last financial year adjusted in current financial year by Life Insurance Corporation of India.

Notes to the Financial Statements for the year ended 31st March, 2020

II Maturity profile of defined benefit obligations:

Year 1	**37.90**	29.52
Year 2	**47.11**	30.48
Year 3	**23.61**	43.95
Year 4	**18.85**	19.60
Year 5	**57.35**	15.21
Year 6	**22.35**	53.78
Year 7	**31.87**	23.03
Year 8	**22.83**	20.41
Year 9	**39.98**	18.72
Year 10	**21.43**	25.64
Above 10 years	**475.50**	398.08
Total expected payments	**798.77**	678.44

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.19 Years
(31st March,2019: 5.17 years).

The best estimate contribution for the company during the next year would be Rs 60.99 lacs
(31st March,2019: Rs. 47.55 lacs).

Amount payable upon discontinouance of all employment is Rs. 361.56 lacs
(31st March,2019: Rs. 339.97 lacs).

III Experience Adjustments on Present Value of DBO and Plan Assets	**As at 31st March, 2020**	As at 31st March, 2019
(Gain)/Loss on Plan Liabilities	**1.96**	18.05
% of Opening Plan Liabilities	**0.67%**	8.21%
(Gain)/Loss on Plan Assets	**2.49**	2.21
% of Opening Plan Assets	**1.91%**	1.75%

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.

	As at 31st March, 2020	As at 31st March, 2019
Defined Benefit Obligation (Base)	**381.36**	293.63
(1) One percentage increase in discount rate	**352.00**	271.41
(2) One percentage decrease in discount rate	**415.44**	319.31
(3) One percentage increase in rate of salary escalation	**414.79**	319.16
(4) One percentage decrease in rate of salary escalation	**351.71**	270.99
(5) One percentage increase in rate of withdrawl rate	**383.16**	296.10
(6) One percentage decrease in rate of withdrawl rate	**379.21**	290.74

Notes to the Financial Statements for the year ended 31st March, 2020

(Rs. In Lacs)

		As at 31st March, 2020	As at 31st March, 2019
V	**Actuarial Assumptions**		
	(1) Discount rate	**7.00%**	7.70%
	(2) Mortality Rate	**IALM (2012-14) Table**	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	**7.00%**	7.70%
	(6) Disability Rate	**5% of Mortality Rate**	5% of Mortality Rate
	(7) Retirement Age	**60 years**	60 years
	(8) Average Future Service	**20.61**	21.66
	(9) Withdrawal rates , based on age: (per annum)		
	Up to 25 years	**8%**	8%
	26 - 30 years	**7%**	7%
	31 - 35 years	**6%**	6%
	36 - 40 years	**5%**	5%
	41 - 45 years	**4%**	4%
	46 - 50 years	**3%**	3%
	51 - 55 years	**2%**	2%
	Above 56 years	**1%**	1%
VI	**Weighted average Asset allocation (as percentage of total plan assets)**		
	(1) Equities	**-**	-
	(2) Bonds	**-**	-
	(3) Gilts	**-**	-
	(4) Insurance Policies	**100%**	100%
	Total	**100%**	100%

39 DISCLOSURES AS REQUIRED BY IND AS 108, OPERATING SEGMENTS

(a) Identification of Operating Segments:

The Company Operate in a Single Reportable Operating Segment i.e. manufacturing and sale of Poly Vinyl Chloride, Polyethylene, Antifab 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, 2020	As at 31st March, 2019
(i)	**Segment revenue by location of Customers:**		
	India	**149,497.31**	171,216.89
	Overseas	**26,723.71**	29,686.29
	Total	**176,221.02**	**200,903.19**
(ii)	**Segment Assets by location**		
	India		
	East	**7,273.46**	7,464.26
	West	**17,426.86**	18,086.37
	Others	**28.24**	32.73
	Overseas	**-**	-
	Total	**24,728.56**	**25,583.36**

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

Notes to the Financial Statements for the year ended 31st March, 2020

(e) Product wise revenue from external customers has been detailed in Note No 26.

(f) Revenue from top three customers is Rs. 206,19.28 lacs(P.Y Rs. 212,47.51 lacs) which is more than 10% of the total revenue of the Company

40 DISCLOSURE ON RELATED PARTY TRANSACTIONS

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

	Name of the Related Party	Relationship with the Company
(i)	Mr. Narrindra Suranna	CEO, Chairman and Managing Director and Promoter (KMP)
	Mr. Rajesh Kothari	Whole Time Director (KMP)
	Dr. P.R.Mukherjee	Whole Time Director (KMP)
	Mr. I.C Dakalia	Chief Financial Officer (KMP)
	Ms. Tanvi Panday	Company Secretary (KMP)
	Mrs. Tara Devi Surana	Promoter
	Mr. Surendra Kumar Surana	Promoter
	Mr. Dev Krishna Surana	Promoter & Director
(ii)	**Relative of Key Management Personnel (KMP) of the Company**	
	Name of the Relative	**Relationship with KMP**
	Mrs. Tara Devi Surana	Mother of Chairman and Managing Director
	Mrs. Sarla Devi Surana	Wife of Chairman and Managing Director
	Mr. Surendra Kumar Surana	Brother of Chairman and Managing Director
	Mr. Dev Krishna Surana	Son of Chairman and Managing Director
(iii)	Bbigplas Poly Pvt Ltd	Promoter and Holding Company
(iv)	Plastic Processor and Exporters Pvt Ltd.	Subsidiary
(v)	Kkalpana Plasticks Limited	Associate

(B) Disclosure of transactions with Related Parties as on 31.03.2020

(Rs. In Lacs)

Nature of transactions	Ref. to Note (A) above	As at 31st March, 2020	As at 31st March, 2019
Remuneration to KMP			
Mr Narrindra Surana	(i)	**77.00**	70.00
Mr Dev Krishna Surana	(i)	**14.57**	-
Mr Rajesh Kothari	(i)	**40.00**	40.00
Mr P.R. Mukherjee	(i)	**19.00**	19.00
Mr I.C. Dakalia	(i)	**25.02**	22.96
Ms Tanvi Panday	(i)	**7.74**	7.23
		183.33	159.19
Sale of Goods			
Plastic Processors Pvt Ltd.	(iv)	**1,372.55**	2,871.90
Purchase of Goods			
Plastic Processors Pvt Ltd.	(iv)	**2,652.68**	4,219.90
Interest Expenses			
Bbigplas Poly Pvt Ltd	(iii)	**114.00**	119.17
Interest Income			
Plastic Processor and Exporters Pvt Ltd.	(iv)	**-**	249.75
Loan Taken & Repaid during the Year			
Kkalpana Plasticks Limited	(v)	**-**	5.00
Rent			
Bbigplas Poly Pvt Ltd	(iii)	**100.68**	76.56
Net Receivable\(Payable) at the Year End			
Plastic Processor and Exporters Pvt Ltd.	(iv)	**965.38**	939.79
Loan Taken &Outstanding at year End			
Bbigplas Poly Pvt Ltd*	(iii)	**2,195.21**	1,977.10
*(Note- After giving effect of IND AS)			
Interest Payable			
Bbigplas Poly Pvt Ltd	(iii)	**74.10**	233.35
Interest Receivable			
Plastic Processor and Exporters Pvt Ltd.	(iv)	**-**	224.78

Notes to the Financial Statements for the year ended 31st March, 2020

41 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.

(Rs. In Lacs)

(a) Disclosure for the year ended 31st March, 2020

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
(1) Financial Assets					
Financial Assets at amortised cost					
Trade Receivables	23,851.92	23,851.92	-	-	23,851.92
Other Financial assets excluding derivative financial instruments	505.43	505.43	-	-	505.43
Cash & cash equivalents	1,511.06	1,511.06	-	-	1,511.06
	25,868.41	25,868.41	-	-	25,868.41
Financial Assets at cost					
Investments in equity shares					
Kkalpana Plastick Limited	200.29	44.06	44.06	-	-
Plastic Processor and Exporters Pvt Ltd.	36.50	36.50	-	-	36.05
	236.79	80.56	44.06	-	36.05
Financial Liability at fair value through profit or loss					
Derivative financial instruments	19.88	19.88	-	19.88	-
Assets for which fair values are disclosed					
Investment Property (Refer Note No. 6 (b))	-	-	-	-	-
Total	26,125.08	25,968.85	44.06	19.88	25,904.91

Notes to the Financial Statements for the year ended 31st March, 2020

(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from Banks and Financial Institutions	**10,181.55**	**10,181.55**			**10,181.55**
Trade Payables	**20,616.43**	**20,616.43**			**20,616.43**
Other Financial liabilities excluding derivative financial instruments	**1,518.25**	**1,518.25**			**1,518.25**
Total	**32,316.23**	**32,316.23**	**-**	**-**	**32,316.23**
Total	**32,316.23**	**32,316.23**	**-**	**-**	**32,316**

(b) Disclosure for the year ended 31st March, 2019

	Carrying Value	Fair Value	Fair Value heirarchy Level 1	Level 2	Level 3
(1) Financial Assets					
Financial Assets at amortised cost					
Trade Receivables	**31,030.91**	**31,030.91**	**-**	**-**	**31,030.91**
Loans	**-**	**-**	**-**	**-**	**-**
Other Financial assets excluding derivative financial instruments	**859.91**	**859.91**	**-**	**-**	**859.91**
Cash & cash equivalents	**1,692.06**	**1,692.06**	**-**	**-**	**1,692.06**
	33,582.88	**33,582.88**	**-**	**-**	**33,582.88**
Financial Assets at cost					
Investments in equity shares					
Kkalpana Plastick Limited	**200.29**	**61.89**	**61.89**	**-**	**-**
Plastic Processor and Exporters Pvt Ltd.	**36.50**	**36.50**	**-**	**-**	**36.50**
	236.79	**98.39**	**61.89**	**-**	**36.50**
Assets for which fair values are disclosed					
Investment Property (Refer Note No. 6 (b))	**-**	**-**	**-**	**-**	**-**
Total	**33,819.67**	**33,681.27**	**61.89**	**-**	**33,619.38**
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from Banks and Financial Institutions	**13,712.47**	**13,712.47**	**-**	**-**	**13,712.47**
Trade Payables	**29,003.28**	**29,003.28**	**-**	**-**	**29,003.28**
Other Financial liabilities excluding derivative financial instruments	**1,396.43**	**1,396.43**	**-**	**-**	**1,396.43**
Total	**44,112.18**	**44,112.18**	**-**	**-**	**44,112.18**
Financial Liability at fair value through profit or loss					
Derivative financial instruments	**107.04**	**107.04**	**-**	**107.04**	**-**
Total	**44,219.21**	**44,219.21**	**-**	**107.04**	**44,112.18**

(c) 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

42 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:

	2019-20	2018-19
	(+/ -) 50 Basis Points	(+/ -) 50 Basis Points
Effect on profit before tax due to interest rate sensitivity	**58.39**	92.98

Notes to the Financial Statements for the year ended 31st March, 2020

(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.

			As at 31st March, 2020		As at 31st March, 2019	
Foreign Currency Exposure			**Foreign Currency**	**Functional Currency (Rs. in Lacs)**	Foreign Currency	Functional Currency (Rs. in Lacs)
I	**Hedged**					
	Forward contracts for Imports	**USD**	**4,000,000**	**3,031.42**	10,900,940	7,777.18
		EURO	**-**	**-**	155,925	124.87
	Forward contracts for Exports	**USD**	**-**	**-**	1,500,000	1,042.13
	Option contracts for Exports	**USD**	**-**	**-**	400,000	277.90
II	**Not hedged**					
	Trade receivables	**USD**	**3,843,963**	**2,897.96**	4,182,895	2,893.31
		EURO	**1,650,552**	**1,370.78**	1,572,616	1,221.92
	Trade payables	**USD**	**343,560**	**243.01**	1,756,303	1,214.83
		EURO	**101,512**	**84.30**	19,280	14.98
	Advance to Supplier	**CHF**	**53,292**	**41.77**	-	-
	Foreign currency loan availed under buyers' credit	**USD**	**2,396,138**	**1,806.45**	-	-
		EURO	**219,780**	**182.53**	-	-
	Net Unhedged Portion					
	Trade receivables	**USD**	**1,104,266**	**848.51**	2,426,593	1,678.47
		EURO	**1,329,260**	**1,103.95**	1,553,336	1,206.94
	Advance to Supplier	**CHF**	**53,292**	**41.77**	-	-

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)

	2019-20	**2018-19**
	(+/-) 5%	**(+/-) 5%**
Effect on profit before tax		
USD	**41.63**	**83.92**
Euro	**55.20**	**60.35**
CHF	**2.09**	**-**
	98.91	**144.27**

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 accountingas 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, 2020		As at 31st March, 2019	
		Foreign Currency	**Fair Value as on 31.03.2020 (Rs.)**	Foreign Currency	Fair Value as on 31.03.2019 (Rs.)
Derivatives not designated as hedges					
Forward Contracts	USD	**4,000,000**	**3,051.30**	12,400,940	8,719.43
	EURO	**-**	**-**	155,925	123.16
Option Contracts	USD	**-**	**-**	400,000	272.44
Mark to Market (Gain)/loss in Forward Contract			**(19.88)**		107.04

(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, 2020	As at 31st March, 2019
Less than 6 months	**19,505.91**	30,412.33
6 to 12 months	**2,040.80**	738.08
more than 12 months	**2,937.07**	512.37
Total	**24,483.78**	31,662.77

(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.

	Less than 1 year	1 to 5 years	> 5 years	Total
31st March, 2020				
Borrowings				
Term Loans from Banks	**1,669.57**	**1,366.04**	-	**3,035.61**
Long Term Loans from Others	**34.78**	**2,222.77**	-	**2,257.55**
Cash credit from Banks	**999.15**	-	-	**999.15**
Buyers credit from Banks	**1,988.98**	-	-	**1,988.98**
WCDL from Bank	**1,900.26**	-	-	**1,900.26**
Other Financial Liabilities other than current maturities of borrowings and lease obligation	**1,518.25**	-	-	**1,518.25**
Trade Payables	**20,616.43**	-	-	**20,616.43**
	28,727.42	**3,588.81**	-	**32,316.23**

31st March, 2019	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings				
Term Loans from Banks	1,626.58	3,022.36	-	4,648.94
Long Term Loans from Others	28.08	2,007.50	-	2,035.58
Cash credit from Banks	2,527.95	-	-	2,527.95
Buyers credit from Banks	-	-	-	-
WCDL from Bank	4,500.00	-	-	4,500.00
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,503.47	-	-	1,503.47
Trade Payables	29,003.28	-	-	29,003.28
	39,189.35	5,029.86	-	44,219.21

43 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.

Notes to the Financial Statements for the year ended 31st March, 2020

		(Rs. In Lacs)	
		As at 31st March, 2020	As at 31st March, 2019
	Borrowings	**11,994.85**	15,626.14
	Less: Current investments	**-**	-
	Less: Cash and cash equivalents	**1,511.06**	1,692.06
(a)	**Net Debt**	**10,483.79**	13,934.09
(b)	**Equity**	**34,627.97**	31,853.42
(c)	**Equity and Net Debt (a+b)**	**45,111.75**	47,257.94
	Gearing Ratio (a/c)	**23.24%**	29.49%

B. Proposed Dividend

The Board of directors in its Board meeting held on 29th June 2020 have recommended the payment of a final dividend of Rs 0.12 paise per fully paid up equity share (March 31,2019 - Rs 0.24 paise), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

44 NET - DEBT RECONCILIATION

Particulars	**As at 31st March, 2020**		As at 31st March, 2019	
	Long term Borrowings	**Short term borrowings**	Long term Borrowings	Short term borrowings
Opening Net Debt	**5,288.88**	**8,682.61**	6,741.57	15,942.67
Repayment of Borrowings (Net)	**1,659.16**	**2,089.87**	1,654.57	7,260.07
Interest Expenses (including unwinding of Interest)	**768.62**	**3,772.12**	898.11	3,217.64
Interest Paid	**700.57**	**3,772.12**	696.23	3,217.64
Closing Net Debt	**3,697.77**	**6,592.73**	5,288.88	8,682.61

45 EARNING PER SHARE (EPS)

			(Rs. in Lacs)	
			As at 31st March, 2020	As at 31st March, 2019
(a)	Face value of equity shares	Rs.	**2.00**	2.00
(b)	Profit attributable to equity shareholders	Rs. (in Lacs)	**3,063.80**	2,561.75
(c)	Weighted average number of equity shares outstanding	Nos.	**940.73**	940.73
(d)	Weighted average Earning Per Share (Basic and Diluted)	Rs.	**3.26**	**2.72**

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)	
(a)	Revenue expenditure charged to Statement of Profit and Loss	**As at 31st March, 2020**	As at 31st March, 2019
	Other Expenses	**29.21**	36.93
(b)	Capital expenditure shown under fixed assets schedule	**25.93**	89.51
	Grand Total	**55.13**	126.45

47 ASSETS PLEDGED AS SECURITY

(Rs. in Lacs)

The carrying amount of Assets pledged as security for current and non current borrowings are :-	**As at 31st March, 2020**	As at 31st March, 2019
A. Current		
Financial Assets		
Trade Receivables	**23,851.92**	31,030.91
Other Current Assets	**4,875.96**	5,645.46
Cash and Cash Equivalents	**1,511.06**	1,692.06
Non Financial Assets		
Inventories	**15,228.77**	15,714.37
Total Current Assets Pledged as Security	**45,467.71**	54,082.80
B. Non Current		
Movable and immovable properties located at Surangi Unit	**14,001.12**	14,592.81
Movable and immovable properties located at Daman Unit	**1,889.95**	1,937.92
Movable and immovable properties located at Silvassa Unit	**1,516.48**	1,535.01
Movable and immovable properties located at Bhasa Unit	**575.04**	611.36
Movable properties located at Dhulagarh Unit	**3,464.44**	3,607.22
Property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai - 400066		

Notes -

1. Rupee Loan from SBI, 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 and movable fixed assets at Dhulagarh Unit and 2nd pari passu charge by way of hypothecation over entire current assets, stock and book debts of the company both present and future.
2. Working Capital facilities (fund based and non fund based limits) are secured by 1st pari passu charge by way of equitable mortgage over property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai-400066 and by way of hypothecation over entire current assets, stock and trade receivables of the company both present and future and 2nd 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 and movable fixed assets at Dhulagarh Unit.

48 VALUE OF IMPORTED AND INDEGENEOUS MATERIAL CONSUMED

(Rs. in Lacs)

Particulars	As at 31st March, 2020	%age of Total Consumption	As at 31st March, 2019	%age of Total Consumption
Raw Materials				
i Imported	**50,903.48**	**33%**	56,477.94	32%
ii Indegeneos	**102,231.38**	**67%**	119,955.11	68%
Total	**153,134.87**	**100%**	176,433.05	100%
Store, Spare parts and Components*				
i Imported	**164.88**	**23%**	181.19	30%
ii Indegeneous	**558.76**	**77%**	432.73	70%
Total	**723.64**	**100%**	613.92	100%

*Note :- The Consumption of store, spare parts and components includes directstore consumption shown seperately in Note -32 and it also includes indirect consumtion in various other expenses head such as Repair and maintenance etc.

Notes to the Financial Statements for the year ended 31st March, 2020

49 VALUE OF IMPORTS ON CIF BASIS

(Rs. in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw Materials	**51,254.39**	47,869.71
Stors, Spare parts and Components	**164.88**	181.19
Capital Goods	**49.34**	600.50
Total	**51,468.60**	48,651.40

50 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Exports at FOB Value	**26,723.71**	29,686.29
Total	**26,723.71**	29,686.29

51 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Travelling	**33.16**	15.76
Exhibition	**35.19**	30.08
Interest	**30.72**	129.62
Other Matters	**773.08**	438.23
Total	**872.14**	613.69

52 LEASES

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Company has adopted Ind AS 116 “Leases” using modified retrospective approach. The Company’s lease asset classes primarily consist of leases for buildings and warehouses. These leases were classified as “Cancellable Operating Leases” under Ind AS 17. On transition to Ind AS 116 “Leases”, the Company has used following practical expedient, when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

• The company didn’t recognized Right to Use and Lease liabilities for lease for which the lease terms pertaining to the uncancellable period ends within 12 months on the date of initial transition and low value assets.

• The Company excluded initial direct cost from measurement of the Right to Use assets at the date of initial application.

• The Company uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Hence, the Company has recognised the lease payments associated with those leases as an expense on a straight line basis over the lease term.

Short-term leases expenses incurred for the year ended 31st March, 2020: **(Rs. In Lacs)**

Particulars	Amount
Rental expense	643.33

Notes to the Financial Statements for the year ended 31st March, 2020

53 IMPACT OF COVID-19

The World Health Organization declared a global pandemic of the coronavirus disease (Covid-19) on 11th Feb, 2020. The impact of the disease is being felt in India as well and the central government declared a PAN India lockdown on 24th March, 2020. The lockdown has been extended several times since then. The effect of coronavirus (Covid-19) outbreak on public life and industries is also affecting the demand for the company's product in the country across several market segments.

However, the company started operations, in a phased manner, with reduced manpower. Gradually operations are being stepped up. The company fully followed the guidelines issued by the Central Government for reopening of manufacturing units/offices. The company also opened its head office, Delhi and Mumbai offices keeping in view the employee safety first approach and maintained social distancing and other health & safety norms to minimize the spread of disease.

While the pandemic is expected to have negative impact on the financial performance of company, the situation in the country still remain uncertain and, therefore, it is difficult to quantify the magnitude, and duration of such impact at this stage. However, preliminary estimates based on sales trend in the past weeks and through interaction with our customers indicates possibly sizeable reduction in turnover & profitability in respect of the financial year 2020-21. The company's focus on liquidity, supported by strong balance sheet & cost optimization initiatives would help the company in navigating near term challenges in the demand environment while the pandemic is expected to have negative impact on the financial performance of company, the situation in the country still remain uncertain and, therefore, it is difficult to quantify the magnitude, and duration of such impact at this stage. However, preliminary estimates based on sales trend in the past weeks and through interaction with our customers indicates possibly sizeable reduction in turnover & profitability in respect of the financial year 2020-21. The company's focus on liquidity, supported by strong balance sheet & cost optimization initiatives would help the company in navigating near term challenges in the demand environment.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

54 The Taxation Laws (Amendment) Act 2019 ('the Act'), was passed whereby existing domestic companies were given the option to compute income-tax at a lower rate of 22% (plus applicable surcharge and cess) under section 115BAA of the Income Tax Act, 1961 instead of the existing rate of 25% (plus applicable surcharge and cess). However, a domestic company can avail such lower tax rate only if it forgoes various deductions, exemptions or incentives specified in this behalf in the Act. The aforementioned option can be availed at the option of the domestic company for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020. There is no time limit to choose the option of lower tax rate under section 115BBA, however, once chosen it is irreversible.

The Company has made an assessment of the impact of the Act and opted for concessional rate of taxation during the year ended 31st March, 2020 as per the provisions of Section 115BAA of the Income Tax Act, 1961 made effective from financial year 2019-20 pursuant to the above Taxation Laws (Amendment) Act, 2019. Accordingly, the provision for Income Tax and Deferred Tax balances have been recorded/re-measured using the new tax rate @ 25.17% and the resultant impact is recognised in the Statement of Profit and Loss for the year ended 31st March, 2020. Also the company will not be required to pay Minimum Alternate Tax under section 115JB of the Act and also will not be able to claim MAT credit for taxes paid under MAT. Hence, the carrying amount of MAT credit has been written off in current year.

55 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate affairs (MCA) notifies new standards or amendment to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

56 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 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 : 29th June, 2020
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 Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **KKALPANA INDUSTRIES (INDIA) LIMITED** (''the parent company"), its subsidiary and associate(herein after to be referred as "the Group"), which comprises of the consolidated Balance Sheet as at 31st March, 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2020, its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's Response
Inventory- existence and valuation As at March 31, 2020, the Group held inventories of Rs. 15,228.77 Lakhs. (Refer note 11 of standalone financial statements) Inventories existence and valuation was an audit focus area because of nationwide lockdown imposed by Government of India in view of pandemic coronavirus (COVID 19). AS explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, physical verification of inventories, lying at various locations as on the Balance sheet date. We have accordingly designated this as a focus area in the audit.	**Audit Procedures Performed** We have performed following alternative audit procedures over inventory existence and valuations. Ensuring the effectiveness of the design, implementation and maintenance of controls over change in inventory to determine whether the conduct of physical inventory verification at a date other than the date of the financial statement is appropriate and testing of those controls whether those have been operated effectively. Preforming procedures to ensure that the changes in inventory between the last verification date and date of the balance sheet are properly recorded (Roll forward procedures). Performing substantive analytical procedures to test the correctness of inventory existence and valuation. Testing the accuracy of inventory reconciliations with the general ledger at period end, including test of reconciling items. The procedures performed gave us a sufficient evidence to conclude about the inventory existence and valuation.

Information Other than the Consolidated Financial Statements and Auditor’s report thereon

The Parent Company’s Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder’s information, but does not include the consolidated financial statement and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Parent company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, respective Board of Directors of the Companies included in the Group are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activity within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company of which we are independent auditor regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters:

a) We did not audit the financial statements of a subsidiary included in the consolidated financial statements of the Group whose financial statements reflects total assets of Rs 771.12 lakhs as at March 31, 2020 (as at 31 March 2019 Rs. 1,140.90 lakhs); total revenue of Rs. 2,175.37 lakhs, net loss of Rs. (41.50) lakhs and net cash outflow of Rs. 183.09 lakhs for the year ended 31 March, 2020 (revenue of Rs 4,488.31 lakhs, net profit of Rs. 37.06 lakhs and net cash inflows of Rs.182.10 Lakhs for the year ended March 31, 2019) as considered in the consolidated financial statements.

b) We did not audited the financial statement of Associate included in the Consolidated Financial Statements, whose financial statements reflect total assets of Rs.677.86 lakhs as at 31st March, 2020 (as at 31 March 2019 Rs.674.56 lakhs) total comprehensive income/(loss) of Rs.0.52 lacs for the year ended 31st March 2020 (Rs.6.96 Lakhs for the year ended March 31, 2019) as considered in the statement.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, is so far as it relates to the amounts and disclosures included in respect of the subsidiary and associates, and our report in terms of sub- section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate, is based solely on the report of other auditors.

Our Opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated 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 financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014
   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiary and associate companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2020 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 A”. 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 the requirements of section 197(16) of the Act, as amended:
      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) 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 financial statements.
      ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

B.Mukherjee
(Partner)
Mem No : 002941
UDIN:-20006601AAAADN8885

Place: Kolkata
Date: 29th day of June, 2020

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE "A" REFERRED TO IN PARAGRAPH 2(F) UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT TO THE MEMBERS OF THE KKALPANA INDUSTRIES (INDIA) LIMITED OF EVEN DATE:

Report on the Internal Financial Controls Over Financial Reporting 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 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Group 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 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 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 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 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 2020, based on the internal control over financial reporting criteria established by the respective companies 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
UDIN:-20006601AAAADN8885

Place: Kolkata
Date: 29th day of June, 2020

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020

(Rs in Lacs)

	Note No.	As at 31st March, 2020	As at 31st March, 2019
A ASSETS			
1 Non-current Assets			
Property, Plant and Equipment	4	**23,451.42**	24,565.32
Capital Work-in-Progress	5	**-**	24.15
Investment Property	6	**1,281.68**	1,281.68
Other Intangible Assets	7	**14.42**	18.98
Goodwill		**71.11**	71.11
Financial Assets			
(i) Investments	8	**241.75**	241.56
(ii) Other Financial Assets	9	**130.87**	425.77
Other Non-Current Assets	10	**38.59**	78.01
		25,229.84	26,706.58
2 Current Assets			
Inventories	11	**15,228.77**	16,225.47
Financial Assets			
(i) Trade Receivables	12	**22,887.14**	30,133.90
(ii) Cash & Cash Equivalents	13	**1,519.75**	1,883.84
(iii) Other Financial Assets	9	**412.26**	246.40
Other Current Assets	14	**5,189.36**	5,227.65
		45,237.29	53,717.26
Total		**70,467.13**	80,423.84
B EQUITY & LIABILITIES			
1 Equity			
Equity Share Capital	15	**1,881.46**	1,881.46
Other Equity	16	**32,624.90**	29,891.67
		34,506.36	31,773.13
Non Controlling Interest		**-**	-
		34,506.36	31,773.13
2 Non Current Liabilities			
Financial Liabilities			
(i) Borrowings	17	**3,588.81**	5,029.86
Provisions	18	**246.49**	163.88
Deferred Tax Liabilities (net)	19	**2,388.23**	2,917.35
		6,223.53	8,111.09
3 Current Liabilities			
Financial Liabilities			
(i) Borrowings	20	**4,888.39**	7,027.95
(ii) Trade Payables	21		
- Micro & Small Enterprises		**506.75**	314.32
- Others		**20,110.90**	28,705.45
(iii) Other Financial Liabilities	22	**3,225.33**	3,224.59
Other Current Liabilities	23	**546.72**	474.14
Provisions	24	**119.58**	126.56
Current Tax Liabilities (net)	25	**339.57**	666.61
		29,737.23	40,539.62
Total		**70,467.13**	80,423.84

Significant Accounting Policies and other information 1-3

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

For and on behalf of 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 : 29th June, 2020
Place : Kolkata

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, 2020

(Rs in Lacs)

		Note No.	As at 31st March, 2020	As at 31st March, 2019
I	**INCOME**			
	Revenue from Operations	26	**174,469.55**	198,252.72
	Other Income	27	**1,272.36**	1,226.63
	Total Income		**175,741.92**	199,479.35
II	**EXPENSES**			
	Cost of Materials Consumed	28	**150,937.99**	172,684.58
	Changes in Inventories of Finished Goods & Work-in-Progress & Stock-in-Trade	29	**10.77**	(940.33)
	Employee Benefits Expense	30	**4,064.84**	4,586.38
	Finance Costs	31	**4,541.75**	5,994.39
	Depreciation & Amortization Expense	4-7	**1,221.70**	1,667.14
	Other Expenses	32	**11,990.96**	11,387.13
	Total Expenses		**172,768.01**	195,379.30
III	**PROFIT BEFORE SHARE OF PROFIT/(LOSS) FROM INVESTMENT IN ASSOCIATE AND TAX**		**2,973.91**	4,100.06
IV	**SHARE OF PROFIT/(LOSS) OF ASSOCIATE**		**0.19**	2.52
V	**PROFIT BEFORE TAX**		**2,974.10**	4,102.58
	Tax expense	33		
	Current tax		**680.46**	1,330.95
	Deferred tax		**(541.50)**	172.82
	Mat Credit Entitlement		**(8.38)**	(2.53)
	Tax for earlier years		**(178.97)**	-
	Total Tax expense		**(48.38)**	**1,501.24**
VI	**PROFIT FOR THE YEAR AFTER TAX**		**3,022.48**	2,601.34
VII	**OTHER COMPREHENSIVE INCOME**	34		
	i Items that will not be classified to profit and loss		**(26.78)**	(25.36)
	ii Income tax relating to items that will not be classified to profit and loss		**9.27**	8.78
	Total Other Comprehensive Income For The Year		**(17.51)**	(16.58)
VI	**TOTALCOMPREHENSIVE INCOME FOR THE YEAR**		**3,004.97**	2,584.75
	PROFIT/(LOSS) FOR THE YEAR			
	Attributable to			
	Equity Holders of the Parent		**3,022.48**	2,603.03
	Non Controlling Interest			(1.69)
			3,022.48	2,601.34
	TOTAL COMPRHENSIVE INCOME FOR THE YEAR			
	Attributable to			
	Equity Holders of the Parent		**3,004.97**	2,586.44
	Non Controlling Interest		**-**	(1.69)
			3,004.97	2,584.75
	EARNING PER EQUITY SHARE			
	(Face value of Rs 2/- each)			
	Basic (Rs.)		**3.21**	2.77
	Diluted (Rs.)		**3.21**	2.77
	Significant Accounting Policies and other information	1-4		

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

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

For and on behalf of 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 : 29th June, 2020
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, 2020

(Rs. In Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax from continuing operations		2,973.91		4,100.06
Adjustment for:				
Depreciation & amortization expense	1,221.70		1,667.14	
Loss/(Profit) on sale of fixed assets	89.18		21.12	
Unwinding of Interest on security deposit	(10.89)		(5.96)	
Finance cost	4,541.75		5,994.39	
Interest income	(89.64)		(75.89)	
Other comprehensive income	(26.78)		(25.36)	
Provision for Doubtful debts	-		12.81	
Bad debts written off	11.65		3.44	
Notional rent on Security deposit	7.94		6.90	
		5,744.91		7,598.61
Operating profit before Working Capital changes		8,718.82		11,698.67
Adjustments for Working Capital changes				
Decrease/(increase) in non current financial assets				
Other financial assets	24.40		(30.98)	
Decrease/(increase) in other non current assets	31.48		493.35	
Decrease/(increase) in inventories	996.69		(314.60)	
Decrease/(increase) incurrent financial assets				
Trade receivables	7,209.52		3,209.91	
Other financial assets	58.92		104.54	
Decrease/(increase) in other current assets	38.29		816.76	
Increase/(decrease) in non current provisions	82.62		69.89	
Increase/(decrease) in current financial liabilities				
Trade payables	(8,376.53)		2,185.78	
Other financial liabilities	(123.66)		412.44	
Increase/(decrease) in other current liabilities	72.58		12.38	
Increase/(decrease) in short term provisions	(6.98)		37.60	
		7.33		6,997.07
Cash generated from operations		8,726.15		18,695.74
(Tax paid) / refund received (net)		(798.51)		(940.96)
Net cash from operating activities		7,927.64		17,754.78
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment, CWIP and Intangible assets	(486.90)		(2,601.61)	
Sale proceeds of Property, Plant and Equipment	318.63		54.25	
Interest receipt on investments	89.64		75.89	
Increase in investment in Term deposit	281.40		(117.58)	
Purchase of current investments (net)	-		(0.50)	
Net cash generated / (used) in investing activities		202.77		(2,589.54)

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2020

(Rs. In Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
C. CASHFLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowings				
Repayment of long term borrowings	**(1,659.16)**		**(1,654.57)**	
Increase/(decrease) in short term borrowings	**(2,089.87)**		**(7,260.07)**	
Dividend paid	**(225.78)**		**(225.78)**	
Taxes on dividend Paid	**(45.96)**		**(45.96)**	
Finance cost	**(4,473.72)**		**(5,792.51)**	
Net cash from financing activities		**(8,494.49)**		**(14,978.88)**
Net changes in Cash and Bank balances		**(364.08)**		**186.36**
Net Increase / (-) Decrease in Cash and Bank balances				
Balance at the end of the year		**1,519.75**		**1,883.84**
Balance at the beginning of the year		**1,883.84**		**1,697.49**
Net changes in Cash and Bank balances		**(364.08)**		**186.36**

Notes:

(i) 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.

(ii) Disclosures of NetReconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities given in note no. 44

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 : 29th June, 2020
Place : Kolkata

For and on behalf of 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 CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

A. EQUITY SHARE CAPITAL (Refer Note No. 15)

(Rs. In Lacs)

	As at 31st March, 2020	As at 31st March, 2019
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. 16)

For the year ended 31st March, 2020

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2019	**852.96**	**5,322.45**	**3,400.00**	**20,353.98**	**(37.73)**	**29,891.67**
Add : For the Year	-	-	-	**3,022.48**	**(17.51)**	**3,004.97**
Less: Equity Dividend for the year 2018-19	-	-	-	**(225.78)**	-	**(225.78)**
Less: Corporate Dividend Tax for the year 2018-19	-	-	-	**(45.96)**	-	**(45.96)**
Balance as at 31st March, 2020	**852.96**	**5,322.45**	**3,400.00**	**23,104.73**	**(55.24)**	**32,624.90**

For the year ended 31st March, 2019

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2018	852.96	5,322.45	3,400.00	18,022.70	(21.15)	27,576.96
Add : For the Year	-	-	-	2,603.02	(16.58)	2,586.44
Less: Equity Dividend for the year 2017-18	-	-	-	(225.78)	-	(225.78)
Less: Corporate Dividend Tax for the year 2017-18	-	-	-	(45.96)	-	(45.96)
Balance as at 31st March, 2019	852.96	5,322.45	3,400.00	20,353.98	(37.73)	29,891.68

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

For and on behalf of 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 : 29th June, 2020
Place : Kolkata

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, 2020

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, 2020 were authorised for issue in accordance with a resolution of the Board of Directors as on 29.06.2020.

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 2020	% of share held by the Parent Company as at 31st March 2019
Subsidiary			
Plastic Processor and Exporter Pvt Ltd.	India	100.00%	99.99%
Associates			
Kkalpana Plastick Limited	India	36.23%	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.

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.

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.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

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.

Notes to the consolidated financial statements for the year ended 31st March, 2020

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 intragroup 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.

e) 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.

B) Investment in Associates

An associate is an entity over which the Company 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.

2.3 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

2.4 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.

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 below :-

(i) Estimation of employee defined benefit obligations

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Group determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

(ii) Estimation of current tax expenses

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an

estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(iv) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

(v) Allowance for credit losses on receivable

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

The Group recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Group expects to be entitled to. In determining the transaction price, the Group considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Group considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

A) Variable Consideration

If the consideration in a contract includes a variable amount, the group estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Group. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Group reasonably estimates those.

Revenue is recognized for each performance obligation either at a point in time or over time.

B) Sale of goods

Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. In case of export sale, it is usually recognised based on the shipped-on board date as per bill of lading. Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc.

C) Contract balances

Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only a passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfer goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the Group performs under the contract.

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 Group.

3.2 Property, Plant and Equipment

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.

Notes to the consolidated financial statements for the year ended 31st March, 2020

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 f or last 30 years.

3.3 Intangible Assets

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 except SAP, a new Enterprise Resource Planning (ERP) System which has been implemented and ammortised during the year.

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

Accounting Policy

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings and warehouses. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.7 Impairment of non-financial assets

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.

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.

Notes to the consolidated financial statements for the year ended 31st March, 2020

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.

3.8 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.

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:

Notes to the consolidated financial statements for the year ended 31st March, 2020

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.

Notes to the consolidated financial statements for the year ended 31st March, 2020

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.

3.9 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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.

3.14 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.

Notes to the consolidated financial statements for the year ended 31st March, 2020

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 116- Leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

3.15 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 in Financial year 2018-19 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.

However for the Financial year 2019-20 the Parent Company has opted to compute income tax liabilities at a lower rate of 22% plus applicable surcharge and cess u/s Sec 115 BAA of the Taxation laws (Amendment Act 2019). Thereby, the Parent Company has to forego various exemptions, deductions specified in this behalf in the Act. Also the Parent Company will not be required to pay Minimum Alternate Tax under section 115JB of the Act and also will not be able to claim MAT credit for taxes paid under MAT. Hence, the carrying amount of MAT credit has been written off in current year.However, the subsidiary and associate company has opted to continue for the existing tax rate.

3.16 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.

Notes to the consolidated financial statements for the year ended 31st March, 2020

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.

3.17 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.

3.18 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.

3.19 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 consolidated financial statements for the year ended 31st March, 2020

Consolidated Shedules for the year ended 31st March, 2020

04. Property Plant and Equipment

(Rs. In Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2019	Addition during the year	Sales/ Disposals	As at 31-03-2020	As at 01-04-2019	For the Period	Sales/ Disposals	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
TANGIBLE ASSETS:										
Free hold land	1,608.30	-	-	1,608.30	-	-	-	-	1,608.30	1,608.30
Factory Building	7,319.24	206.96	130.14	7,396.07	1,392.07	288.76	9.02	1,671.81	5,724.26	5,927.17
Plant & Machinery	17,038.47	146.73	245.15	16,940.05	2,052.85	620.30	38.56	2,634.59	14,305.46	14,985.62
Furniture & Fixture	247.73	12.79	0.10	260.42	77.38	22.66	0.00	100.04	160.38	170.35
Motor Car	271.80	59.64	110.30	221.14	105.45	33.25	89.28	49.41	171.73	166.35
Scooter, Moped & Cycle	1.66	-	-	1.66	0.30	0.18	-	0.48	1.18	1.36
Laboratory Equipment	793.02	25.93	-	818.95	188.01	73.49	-	261.50	557.45	605.02
Electrical Installation	1,531.68	23.19	63.00	1,491.88	569.68	144.98	11.51	703.15	788.73	962.00
Office Equipment	87.01	26.43	8.69	104.75	28.84	17.19	1.88	44.16	60.60	58.16
Air Conditioner	71.09	0.48	0.73	70.84	19.24	3.71	0.04	22.92	47.91	51.85
Computer	53.22	8.90	-	62.12	24.09	12.60	-	36.69	25.43	29.14
Total	**29,023.24**	**511.04**	**558.10**	**28,976.17**	**4,457.92**	**1,217.13**	**150.29**	**5,524.76**	**23,451.42**	**24,565.32**
Previous Year	26,315.98	2,791.04	83.79	29,023.24	3,000.22	1,466.11	8.41	4,457.92	24,565.32	23,315.77

05. Capital Work In Progress

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2019	Addition during the year	Sales/ Disposals	As at 31-03-2020	As at 01-04-2019	For the Period	Sales/ Disposals	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Capital Work-in-Progress	24.15	-	24.15	-	-	-	-	-	-	24.15
Total	**24.15**	**-**	**24.15**	**-**	**-**	**-**	**-**	**-**	**-**	**24.15**
Previous Year	410.14	730.26	1,140.40	24.15	-	-	-	-	24.15	410.14

06. Investment Property

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2019	Addition during the year	Sales/ Disposals	As at 31-03-2020	As at 01-04-2019	For the Period	Sales/ Disposals	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
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**
Previous Year	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 01-04-2019	Addition during the year	Sales/ Disposals	As at 31-03-2020	As at 01-04-2019	For the Period	Sales/ Disposals	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Technical Knowhow	0.20	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	228.12	-	-	228.12	209.34	4.56	-	213.91	14.22	18.78
Total	**228.33**	**-**	**-**	**228.33**	**209.34**	**4.56**	**-**	**213.91**	**14.42**	**18.98**
Previous Year	31.77	196.56	-	228.33	8.31	201.03	-	209.34	18.98	23.45

Notes to the consolidated financial statements for the year ended 31st March, 2020

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, 2020 is Rs.388.28 lacs (31st March, 2019: Rs.76.07 Lac)

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

B. Disclosures for Investment Property

B1. The Company has identified and reclassifed Land at West Bengal amounting Rs 1281.68 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, 2020	As at 31st March, 2019	**As at 31st March, 2020**	As at 31st March, 2019
Equity Instruments - Fully paid up					
Unquoted					
(A) Others-At Fair Value Through Profit and Loss					
(ii) Panchawati Holiday Resorts Ltd.	**10**	**9,400**	9,400	**-**	-
Quoted					
(a) Associate-At Cost					
(i) Kkalpana Plastick Limited	**10**	**2,002,920**	2,002,920	**241.75**	241.56
(b) Others-At Fair Value Through Profit and Loss					
(i) Dena Bank/Bank of Baroda	**10**	**1**	14	**-**	-
(ii) Nicco Corporation Ltd.	**2**	**826,194**	826,194	**-**	-
Total Investments				**241.75**	241.56
Less: Provision for diminution in the value of Investments				**-**	-
Net Investments				**241.75**	241.56
Notes:					
Aggregate carrying amount of Quoted Investments				**241.75**	241.56
Aggregate market value of Quoted Investments				**44.06**	61.89
Aggregate amount of Unquoted Investments				**-**	-
Aggregate amount of Impairment in the value of Investments				**-**	-

Notes to the consolidated financial statements for the year ended 31st March, 2020

(Rs. In Lacs)

9 FINANCIAL ASSETS - OTHERS	Non Current As at 31st March, 2020	Non Current As at 31st March, 2019	Current As at 31st March, 2020	Current As at 31st March, 2019
Unsecured, considered good				
(a) Security Deposit	**130.87**	144.37	**154.18**	65.95
(b) Investment in Term Deposits (with remaining maturity of more than 12 months)	**-**	281.40	**-**	-
(c) Derivative Instruments				
Foreign Exchange Forward Contracts	**-**	-	**19.88**	-
(d) Others - Advances Recoverable from				
Employees	-	-	**117.37**	116.76
Others	-	-	**74.93**	24.70
(e) Interest Accrued	-	-	**45.90**	263.77
Total	**130.87**	425.77	**412.26**	471.18

10. OTHER NON CURRENT ASSETS	31st March, 2020	31st March, 2019
(a) Capital Advances		
(i) Unsecured - considered good	**25.81**	57.53
(b) Other Advances		
(i) Unsecured, considered good		
- Deposit	**0.20**	-
(c) Prepaid Rent	**12.58**	20.48
Total	**38.59**	78.01

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.

11. INVENTORIES	As at 31st March, 2020	As at 31st March, 2019
(As taken valued and certified by the management)		
At Cost or NRV whichever is lower		
(a) Raw materials		
- In Stock	**11,167.66**	11,729.31
- In Transit	**-**	447.53
(b) Finished goods		
- In Stock	**3,707.82**	3,718.60
(c) Stores and spares- at Cost		
- In Stock	**353.29**	330.02
Total	**15,228.77**	16,225.47

- During the year ended 31st March, 2020 and year ended 31st March, 2019 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.

Notes to the consolidated financial statements for the year ended 31st March, 2020

(Rs. In Lacs)

	As at 31st March, 2020	As at 31st March, 2019
12. TRADE RECEIVABLES		
(a) Unsecured, considered good		
(i) Others	**23,519.00**	30,765.76
	23,519.00	30,765.76
Less: Allowance for bad and doubtful debts	**631.86**	631.86
Total (Net of Provision)	**22,887.14**	30,133.90

- 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.

13. CASH & CASH EQUIVALENTS	As at 31st March, 2020	As at 31st March, 2019
(a) Balance with banks:		
(i) In Current Accounts	**87.31**	510.39
(ii) In EEFC Account	**395.34**	310.19
(ii) In Deposit with Original Maturity of less than 3 months	**995.33**	371.35
(b) Cash in hand (As certified by the management)	**25.57**	33.14
(c) Other Bank Balance		
(i) Unpaid Dividend account	**16.20**	22.21
(ii) Deposits with more than 3 months initial maturity	**-**	636.56
Total	**1,519.75**	1,883.84

14. OTHER CURRENT ASSETS	As at 31st March, 2020	As at 31st March, 2019
(a) Other Advances		
Unsecured, considered good		
(i) Balances with government departments	**3,750.41**	4,918.22
(ii) Advance to Suppliers	**190.94**	67.96
(iii) Other Advances	**718.69**	-
(b) Prepaid Expenses	**529.32**	241.42
(c) Prepaid Rent	**-**	0.04
Total Other Current Assets	**5,189.36**	5,227.65
Less: Total Provision for Doubtful Advances/ Debts		
Total (Net of Provision)	**5,189.36**	5,227.65

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.

Notes to the consolidated financial statements for the year ended 31st March, 2020

(Rs. In Lacs)

15. EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity)	**As at 31st March, 2020**	As at 31st March, 2019
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
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

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

Particulars	**As at 31st March 2020**		As at 31st March 2019	
	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
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

(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 2020**		As at 31st March, 2019	
		No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
1	Bbigplas Poly Pvt Ltd.	**69,641,685**	**74.03**	69,641,685	74.03
2	Almond PolyTraders Pvt Ltd	**7,750,000**	**8.24**	7,750,000	8.24

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

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

(Rs. In Lacs)

(a) Security Premium

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, 2020	As at 31st March, 2019
As per Last Financial Statement	**5,322.45**	5,322.45
Add: During the year	-	-
	5,322.45	5,322.45

Notes to the consolidated financial statements for the year ended 31st March, 2020

(Rs. In Lacs)

(b) Capital Reserve and Amalgamation Reserve

	As at 31st March, 2020	As at 31st March, 2019
As per Last Financial Statement	**852.96**	852.96
Add: During the year	-	-
	852.96	852.96

(c) General Reserve

The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.

	As at 31st March, 2020	As at 31st March, 2019
As per Last Financial Statement	**3,400.00**	3,400.00
Add: During the year	-	-
	3,400.00	3,400.00

(d) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

	As at 31st March, 2020	As at 31st March, 2019
As per Last Financial Statement	**20,353.98**	18,022.70
Less: Equity Dividend	**(225.78)**	(225.78)
Less: Corporate Dividend Tax	**(45.96)**	(45.96)
Add: During the year	**3,022.48**	2,603.02
	23,104.73	20,353.98

(e) Other Comprehensive Income	As at 31st March, 2020	As at 31st March, 2019
As per Last Financial Statement	**(37.73)**	(21.15)
Add: During the year	**(17.51)**	(16.58)
	(55.24)	(37.73)
Total Reserves (a+b+c+d+e+f)	**32,624.90**	29,891.67

	Non Current		Current *	
17. LONG TERM BORROWINGS	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Secured				
(a) Term Loans				
I From Banks				
(i) Rupee Loan	**1,366.04**	3,022.36	**1,669.57**	1,626.58
II From Others				
(i) From Banks - Vehicle Loan	**27.56**	30.40	**34.78**	28.08
Total (Net) (a)	**1,393.61**	3,052.76	**1,704.35**	1,654.66
Unsecured				
(b) Long term loan				
-Related Party	**2,195.21**	1,977.10	**-**	-
Total (Net) (b)	**2,195.21**	1,977.10	**-**	-
Grand Total (Net) (a+b)	**3,588.81**	5,029.86	**1,704.35**	1,654.66

* Refer Note No.22

Notes to the consolidated financial statements for the year ended 31st March, 2020

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	10.20%	01st April 2017
(ii) Rupee Loan-HDFC	Repayable in 15 equal quarterly installments starting from 30th june 2017.	31st Dec 2020	9.00%	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.	31st Dec 2021	11.10%	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	9.75%	06th Jan 2017
II From Others				
(i) Vehicle Loan-	60 equal monthly instalment			
Unsecured				
(b) Long term loan/deposits				
RELATED PARTY				
Bbigplas Poly Pvt. Ltd.	Repayable on Demand after 30th March 2022		4.00%	

Details of terms of security for long term borrowings

a) Rupee Loan from SBI, 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 and movable fixed assets at Dhulagarh Unit and 2nd pari passu charge by way of hypothecation over entire current assets, stock and book debts of the company both present and future.

b) The unsecured loan from Promoter group Company Bbigplas Poly Pvt Ltd, is subordinated to State Bank of India.

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

Notes to the consolidated financial statements for the year ended 31st March, 2020

(Rs. In Lacs)

18. LONG TERM PROVISIONS	As at 31st March, 2020	As at 31st March, 2019
(a) Employee benefits		
(i) Gratutiy (Refer Note No. 38(b))	**246.49**	163.88
Total	**246.49**	163.88

19. DEFERRED TAX LIABILITIES (NET)	As at 31st March, 2020	As at 31st March, 2019
(a) Liabilities :		
Depreciation and ammortization expenses	**2,428.58**	3,104.58
Items under financial assets and financial liabilities giving temporary differences	**171.20**	322.43
Total (a)	**2,599.79**	3,427.00
(b) Assets :		
Items under financial assets and financial liabilities giving temporary differences	**200.65**	41.85
Provision for doubtful debts & obsolescence	**-**	220.80
MAT Credit Entitlement	**10.90**	247.00
Total (b)	**211.56**	509.65
Net Liability (a-b)	**2,388.23**	2,917.35

Reconciliation of Deferred Tax Assets/ Liabilites (Net):	As at 31st March, 2020	As at 31st March, 2019
Opening balance as at the beginning of the Year	**2,917.35**	2,418.47
Tax (benefit) / expense during the period recognised in profit or loss	**(541.50)**	172.82
MAT Credit Entitlement utilised/(availed)*	**(8.38)**	334.84
MAT Credit Entitlement utilised/(availed) for earlier years*	**30.02**	-
Tax impact on items of Other Comprehensive income that will not be classified to profit & loss	**(9.27)**	(8.78)
Closing balance as at the end of the Year	**2,388.23**	2,917.35

*Refer Note No. 54

20. SHORT TERM BORROWINGS	As at 31st March, 2020	As at 31st March, 2019
Secured		
(a) Loans repayable on demand		
Cash credits from bank *	**999.15**	2,527.95
Working Capital Demand Loan from Bank	**1,900.26**	4,500.00
(b) Other Loans and advances		
Buyer's credit from bank *	**1,988.98**	-
Total	**4,888.39**	7,027.95

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

Notes to the consolidated financial statements for the year ended 31st March, 2020

* Working Capital facilities (fund based and non fund based limits) are secured by 1st pari passu charge by way of equitable mortgage over property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai-400066 and by way of hypothecation over entire current assets, stock and trade receivables of the company both present and future and 2nd 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 and movable fixed assets at Dhulagarh Unit.

(Rs. In Lacs)

21. TRADE PAYABLES	As at 31st March, 2020	As at 31st March, 2019
(a) Micro & Small Enterprises	**506.75**	314.32
(b) Others		
Acceptances secured *	**17,156.69**	26,834.51
Sundry Creditors for goods	**2,248.22**	928.39
Sundry Creditors for expenses	**706.00**	942.55
Total	**20,617.65**	29,019.77

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

Micro enterprises and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the confirmations received in response to intimation in this regard sent to the suppliers. Interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 due and remaining unpaid as at March 31, 2020 – Rs 2.27 lacs.

22. CURRENT FINANCIAL LIABILITIES-OTHER	As at 31st March, 2020	As at 31st March, 2019
(a) Current maturities of long-term debts (Refer Note No.17)	**1,704.35**	1,654.66
(b) Interest payable on Unsecured Loan	**74.10**	233.35
(c) Interest accrued but not due on borrowings	**34.86**	25.67
(d) Unpaid dividends #	**16.20**	22.21
(e) Derivative Instruments		
(i) Foreign Exchange Forward Contracts	**-**	101.58
(ii) Foreign Currency Options	**-**	5.46
(f) Others		
(i) Creditors for Capital Goods	**132.73**	210.91
(ii) Other Liability	**1,263.09**	970.76
Total	**3,225.33**	3,224.59

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

23. OTHER CURRENT LIABILITIES	As at 31st March, 2020	As at 31st March, 2019
(a) Advance payments from customers	**485.96**	357.83
(b) Other payables		
(i) Statutory dues	**60.75**	116.31
Total	**546.72**	474.14

Notes to the consolidated financial statements for the year ended 31st March, 2020

(Rs. In Lacs)

24. SHORT TERM PROVISIONS	As at 31st March, 2020	As at 31st March, 2019
(a) Employee benefits		
Leave encashment (unfunded)	119.58	126.56
Total	119.58	126.56

25. CURRENT TAX LIABILITIES	As at 31st March, 2020	As at 31st March, 2019
Income Tax (Net of Payments)	339.57	666.61
	339.57	666.61

26 REVENUE FROM OPERATIONS

(a) Sale of Products	For the Year 2019-20	For the Year 2018-19
(i) Polyethylene	115,668.21	122,807.20
(ii) Poly Vinyl Chloride	47,639.70	48,310.54
(iii) Others	11,161.64	27,134.98
Total	174,469.55	198,252.72

27 OTHER INCOME	For the Year 2019-20	For the Year 2018-19
(a) Interest income	89.64	75.89
(b) Exchange difference other than considered as finance cost (net)	602.57	953.55
(c) Export Incentive	139.80	98.99
(d) Unwinding of Interest on security deposit	10.89	5.96
(e) Fair Value gain or (losses) on derivatives	19.88	(107.04)
(f) Insurance Claim Received	58.89	34.38
(g) Other Miscelleaneous Income	350.70	164.88
Total	1,272.36	1,226.63

28 COST OF MATERIALS CONSUMED	For the Year 2019-20	For the Year 2018-19
Inventory at the begining of the year	12,176.85	12,714.74
Add: Purchases during the year	149,928.80	172,146.69
Less: Raw Material at the end of the Year	11,167.66	12,176.85
Total Cost of Material Consumed	150,937.99	172,684.58
Details of Raw Material Consumed		
LLDPE/ LDPE	80,575.50	99,244.99
PVC Resin	33,940.11	32,952.14
Plastic Scrap	2,162.81	2,582.33
Other items	34,259.57	37,905.12
	150,937.99	172,684.58

Notes to the consolidated financial statements for the year ended 31st March, 2020

(Rs. In Lacs)

29 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE	For the Year 2019-20	For the Year 2018-19
(a) Stocks at the beginning of the year		
Finished goods	**3,718.60**	2,778.27
(b) Less: Stocks at the end of the year		
Finished goods	**3,707.82**	3,718.60
Total	**10.77**	(940.33)

30 EMPLOYEE BENEFITS EXPENSE	For the Year 2019-20	For the Year 2018-19
(a) Salaries, Wages, Bonus and Gratuity	**3,886.43**	4,395.17
(b) Contribution to Provident and other funds	**75.23**	66.23
(c) Workmen and staff welfare expenses	**103.17**	124.98
Total	**4,064.84**	4,586.38

31 FINANCE COSTS	For the Year 2019-20	For the Year 2018-19
(a) Interest expense		
(i) To Banks	**3,312.94**	4,050.40
(ii) To Others	**114.00**	119.17
(b) Other borrowing costs	**896.70**	1,628.89
(c) Unwinding of Interest	**218.11**	195.93
Total	**4,541.75**	5,994.39

32 OTHER EXPENSES	For the Year 2019-20	For the Year 2018-19
(a) Consumption of Stores and Spare Parts	**307.14**	221.08
(b) Power & Fuel	**3,128.62**	2,941.93
(c') Rent (Refer Note No. 52)	**676.38**	699.70
(d) Repair & Maintenance - Building	**165.53**	148.22
(e) Repair & Maintenance - Machinery	**365.11**	676.26
(f) Repair & Maintenance - Others	**181.23**	238.84
(g) Insurance Charges	**327.22**	202.33
(h) Rates & Taxes	**43.43**	103.65
(i) Payments to Auditors (Refer Note (i) below)	**6.50**	3.85
(j) Directors' Fees	**4.60**	3.70
(k) Bad debts / Advances Written off	**11.65**	3.44
(l) Loss on sale of fixed assets	**89.18**	21.12
(m) Selling & Distribution Expenses	**5,135.22**	4,764.48
(n) Security Charges	**152.74**	143.19
(o) Professional & Consultancy Charges	**197.71**	229.52
(p) Provision for doubtful debts	**-**	12.81
(q) CSR expenses (Refer Note No. 37)	**50.00**	83.08
(r) Miscellaneous expenses	**1,148.70**	889.94
Total	**11,990.96**	11,387.13

Notes to the consolidated financial statements for the year ended 31st March, 2020

Refer Note :- 1

Auditors' remuneration and expenses		
Audit fees	**3.35**	3.20
Tax audit fees	**0.65**	0.65
Fees for other services	**2.50**	-
	6.50	3.85

33. Income Tax

	For the Year 2019-20	For the Year 2018-19
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	**680.46**	1,330.95
(ii) Deferred Tax expense/ (benefit)	**(541.50)**	172.82
(iii) Mat Credit Entitlement	**(8.38)**	(2.53)
(iv) Tax for earlier years	**(178.97)**	-
	(48.38)	1,501.24
(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	**9.27**	8.78
	9.27	8.78
Total (a+b)	**(39.12)**	1,510.02

II Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2020 and 31st March, 2019:

Accounting profit before income tax as per Ind AS	**2,974.10**	4,102.58
At Income tax rate of 25.168% (31st March, 2019: 34.944%)	**748.52**	1,433.60
Tax effect of items that are not deductible for tax purpose	**20.12**	47.02
MAT Credit Written off (Refer Note No. 54)	**214.46**	28.87
Change in Rate Impact *	**(882.57)**	-
Tax for Earlier Years	**(178.97)**	-
Others	**29.59**	-
Tax effect of deductions under Chapter VIA of Income Tax Act, 1961	**(6.33)**	(16.67)
Differential Tax Impact in Subsidiary and Associates	**(2.47)**	(0.35)
At the effective income tax rate	**(57.65)**	1,492.47
Income tax expense reported in the statement of profit and loss	**(57.65)**	1,492.47
Difference	**0.00**	(0.00)

* Note - The Holding Company elected to exercise the option of lower tax rate permitted under section 115BAA of the Income-tax Act,1961. The Company, accordingly has recognized Provision for Income Tax and re-measured its Deferred Tax Liabilities basis the rate prescribed in the said section. The impact of this change has been recognized in the Statement of Profit & Loss for year ended including write back of deferred tax liabilities relating to earlier years of Rs 882.57 lakhs.

Notes to the consolidated financial statements for the year ended 31st March, 2020

(Rs. In Lacs)

34. Other Comprehensive Income	**For the Year 2019-20**	For the Year 2018-19
i Items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans	**(26.78)**	(25.36)
ii Income tax relating to items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans	**9.27**	8.78
Total	**(17.51)**	(16.58)

OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35 Contingent liabilities & Commitments

(Rs. In Lacs)

	As at 31st March, 2020	As at 31st March, 2019
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**	338.77
B Bank Gurantee	**772.83**	807.88
C Capital Commitments		
Estimated Value of contracts in Capital account remaining to be excecuted and not provided for (Net of advances)	**388.28**	76.07
D Other Commitments		
Letter of Credit	**2,151.90**	2,572.16

36 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 to subsidiary and other parties.

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.

37 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. 74.26 lacs (PY Rs. 73.08 lacs).

(b) Amount unspent as at 31.3.2020 Rs. 24.26 lacs (P.Y 31.3.2019 Rs. Nil)

(c) Amount spent during the year 2019-20 and shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 32):

(Rs. In Lacs)

Sl. No.	**Particulars**	**As at 31st March, 2020**	As at 31st March, 2019
(i)	Spent during the year	**50.00**	83.08
(ii)	Yet to Spend	**24.26**	-
	Total	**74.26**	83.08

38 DISCLOSURES AS REQUIRED BY IND AS 19, EMPLOYEE BENEFITS

(a) Defined contribution plans:	**As at 31st March, 2020**	As at 31st March, 2019
Contribution to defined contribution plan, recognised as expense for the year as under:		
(i) Employer's contribution to Government Provident Fund, Pension Fund & ESI	**73.67**	63.70
Total	**73.67**	63.70

Notes to the consolidated financial statements for the year ended 31st March, 2020

(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.

I Following information are based on report of actuary for employee benefit expenses

	Gratuity (Funded)	
	As at 31st March, 2020	As at 31st March, 2019
(A) Change in present value of the obligation during the year		
(1) Present value of obligation at year beginning	**293.63**	219.85
(2) Current service cost	**43.87**	37.54
(3) Interest cost	**22.61**	16.79
(4) Benefits paid	**(3.04)**	(3.70)
(5) Actuarial (gain) / loss arising from changes in demographic assumptions	**-**	-
(6) Actuarial (gain) / loss arising from changes in financial assumptions	**22.32**	5.10
(7) Actuarial (gain) / loss arising from changes in experience adjustments	**1.96**	18.05
(8) Present value of obligation at year end	**381.36**	293.63
(B) Change in fair value of plan assets during the year		
(1) Fair value of plan assets at year beginning	**130.35**	125.87
(2) Interest income on plan assets	**9.95**	9.69
(3) Expected return on plan assets other than interest income	**(2.49)**	(2.21)
(4) Contribution made by the Employer *	**0.70**	0.10
(5) Benefits paid	**(3.04)**	(3.70)
(6) Fair value of plan assets at year end	**135.47**	129.75
(C) Reconciliation of obligation and fair value of assets		
(1) Present value of the obligation at year end	**381.36**	293.63
(2) Fair value of plan assets at year end	**135.47**	129.75
(3) Funded status [surplus / (deficit)]	**(245.89)**	(163.88)
(D) Expense recognised in the Statement of Profit and Loss		
(1) Current service cost	**43.87**	37.54
(2) Interest cost	**22.61**	16.79
(3) Interest income on plan assets	**(9.95)**	(9.69)
Net cost recognised in Profit or Loss	**56.53**	44.64
(E) Recognised in Other Comprehensive Income		
(1) Expected return on plan assets other than interest income	**2.49**	2.21
(2) Actuarial (gain) / loss arising from changes in demographic assumptions	**-**	-
(3) Actuarial (gain) / loss arising from changes in financial assumptions	**22.32**	5.10
(4) Actuarial (gain) / loss arising from changes in experience adjustments	**1.96**	18.05
Net (gain)/ loss recognised in Other Comprehensive Income	**26.78**	25.36
(F) Net Defined benefit liability/(Asset) Reconciliation		
(1) Net Defined benefit liability/(Asset) at the beginning of the year	**163.28**	93.98
(2) Defined benefit cost included in P/L	**56.53**	44.64
(3) Total remeasurement included in OCI	**26.78**	25.36
(4) Employers contribution*	**(0.70)**	(0.70)
Net Defined benefit liability/(Asset) at the end of the year	**245.89**	163.28

*Note - The difference of Rs. 60,000 is due to the refund pertaining to last financial year adjusted in current financial year by Life Insurance Corporation of India.

Notes to the consolidated financial statements for the year ended 31st March, 2020

II Maturity profile of defined benefit obligations:

Year 1	**37.90**	29.52
Year 2	**47.11**	30.48
Year 3	**23.61**	43.95
Year 4	**18.85**	19.60
Year 5	**57.35**	15.21
Year 6	**22.35**	53.78
Year 7	**31.87**	23.03
Year 8	**22.83**	20.41
Year 9	**39.98**	18.72
Year 10	**21.43**	25.64
Above 10 years	**475.50**	398.08
Total expected payments	**798.77**	678.44

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.19 Years (31st March,2019: 5.17 years).
The best estimate contribution for the Group during the next year would be Rs 60.99 lacs (31st March,2019: Rs. 47.55 lacs).
Amount payable upon discontinouance of all employment is Rs. 361.56 lacs (31st March,2019: Rs. 339.97 lacs).

III Experience Adjustments on Present Value of DBO and Plan Assets	**As at 31st March, 2020**	As at 31st March, 2019
(Gain)/Loss on Plan Liabilities	**1.96**	18.05
% of Opening Plan Liabilities	**0.67%**	8.21%
(Gain)/Loss on Plan Assets	**2.49**	2.21
% of Opening Plan Assets	**1.91%**	1.75%

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.

	As at 31st March, 2020	As at 31st March, 2019
Defined Benefit Obligation (Base)	**381.36**	293.63
(1) One percentage increase in discount rate	**352.00**	271.41
(2) One percentage decrease in discount rate	**415.44**	319.31
(3) One percentage increase in rate of salary escalation	**414.79**	319.16
(4) One percentage decrease in rate of salary escalation	**351.71**	270.99
(5) One percentage increase in rate of withdrawl rate	**383.16**	296.10
(6) One percentage decrease in rate of withdrawl rate	**379.21**	290.74

V Actuarial Assumptions	**As at 31st March, 2020**	As at 31st March, 2019
(1) Discount rate	**7.00%**	7.70%
(2) Mortality Rate	**IALM (2012-14) Table**	'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	**7.00%**	7.70%
(6) Disability Rate	**5% of Mortality Rate**	5% of Mortality Rate
(7) Retirement Age	**60 years**	60 years
(8) Average Future Service	**20.61**	21.66
(9) Withdrawal rates , based on age: (per annum)		
Up to 25 years	**8%**	8%
26 - 30 years	**7%**	7%
31 - 35 years	**6%**	6%
36 - 40 years	**5%**	5%
41 - 45 years	**4%**	4%
46 - 50 years	**3%**	3%
51 - 55 years	**2%**	2%
Above 56 years	**1%**	1%

Notes to the consolidated financial statements for the year ended 31st March, 2020

VI Weighted average Asset allocation (as percentage of total plan assets)		
(1) Equities	**-**	-
(2) Bonds	**-**	-
(3) Gilts	**-**	-
(4) Insurance Policies	**100%**	100%
Total	**100%**	100%

39 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 Poly Vinyl Chloride, Polyethylene, Antifab 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, 2020**	As at 31st March, 2019
(i) **Segment revenue by location of Customers:**		
India	**147,745.84**	168,566.43
Overseas	**26,723.71**	29,686.29
Total	**174,469.55**	198,252.72
(ii) **Segment Assets by location**		
India		
East	**7,273.46**	7,464.26
West	**17,426.86**	18,086.37
Others	**47.19**	315.35
Overseas	**-**	-
Total	**24,747.52**	25,865.98

(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 26.
(f) Revenue from top three customers is Rs. 206,19.28 lacs(P.Y Rs. 212,47.51 lacs) which is more than 10% of the total revenue of the Group

40 DISCLOSURE ON RELATED PARTY TRANSACTIONS

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

(i) **Name of the Related Party**	**Relationship with the Group**
Mr. Narrindra Suranna	CEO, Chairman and Managing Director and Promoter (KMP)
Mr. Rajesh Kothari	Whole Time Director (KMP)
Dr. P.R.Mukherjee	Whole Time Director (KMP)
Mr. I.C Dakalia	Chief Financial Officer (KMP)
Ms. Tanvi Panday	Group Secretary (KMP)
Mrs. Tara Devi Surana	Promoter
Mr. Surendra Kumar Surana	Promoter
Mr. Dev Krishna Surana	Promoter & Director

Notes to the consolidated financial statements for the year ended 31st March, 2020

(ii) **Relative of Key Management Personnel (KMP) of the Group**

Name of the Relative	Relationship with KMP
Mrs. Tara Devi Surana	Mother of Chairman and Managing Director
Mrs. Sarla Devi Surana	Wife of Chairman and Managing Director
Mr. Surendra Kumar Surana	Brother of Chairman and Managing Director
Mr. Dev Krishna Surana	Son of Chairman and Managing Director

(iii) Bbigplas Poly Pvt Ltd — Promoter and Holding Group

(B) Disclosure of transactions with Related Parties as on 31.03.2020 **(Rs. In Lacs)**

Nature of transactions	Ref. to Note (A) above	As at 31st March, 2020	As at 31st March, 2019
Remuneration to KMP			
Mr Narrindra Surana	(i)	**77.00**	70.00
Mr Dev Krishna Surana	(i)	**14.57**	-
Mr Rajesh Kothari	(i)	**40.00**	40.00
Mr P.R. Mukherjee	(i)	**19.00**	19.00
Mr I.C. Dakalia	(i)	**25.02**	22.96
Ms Tanvi Panday	(i)	**7.74**	7.23
		183.33	159.19
Interest Expenses			
Bbigplas Poly Pvt Ltd	(iii)	**114.00**	119.17
Rent			
Bbigplas Poly Pvt Ltd	(iii)	**100.68**	76.56
Loan Taken & Outstanding at year End			
Bbigplas Poly Pvt Ltd*	(iii)	**2,195.21**	1,977.10
*(Note- After giving effect of IND AS)			
Interest Payable			
Bbigplas Poly Pvt Ltd	(iii)	**74.10**	233.35

41 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.

Notes to the consolidated financial statements for the year ended 31st March, 2020

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, 2020 **(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	22,887.14	22,887.14	-	-	22,887.14
Other Financial assets excluding derivative financial instruments	523.25	523.25	-	-	523.25
Cash & cash equivalents	1,519.75	1,519.75	-	-	1,519.75
	24,930.14	24,930.14	-	-	24,930.14
Financial Liability at fair value through profit or loss					
Derivative financial instruments	19.88	19.88	-	19.88	-
Assets for which fair values are disclosed					
Investment Property (Refer Note No. 6 (b))	-	-	-	-	-
Total	24,950.01	24,950.01	-	19.88	24,930.14
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from Banks and Financial Institutions	10,181.55	10,181.55			10,181.55
Trade Payables	20,617.65	20,617.65			20,617.65
Other Financial liabilities excluding derivative financial instruments	1,520.98	1,520.98			1,520.98
Total	32,320.18	32,320.18	-	-	32,320.18
Total	32,320.18	32,320.18	-	-	32,320

(b) Disclosure for the year ended 31st March, 2019

	Carrying Value	Fair Value	Fair Value heirarchy Level 1	Level 2	Level 3
(1) Financial Assets					
Financial Assets at amortised cost					
Trade Receivables	30,133.90	30,133.90	-	-	30,133.90
Loans	-	-	-	-	-
Other Financial assets excluding derivative financial instruments	672.17	672.17	-	-	672.17
Cash & cash equivalents	1,883.83	1,883.83	-	-	1,883.83
	32,689.90	32,689.90	-	-	32,689.90
Assets for which fair values are disclosed					
Investment Property (Refer Note No. 6 (b))	-	-	-	-	-
Total	32,689.90	32,689.90	-	-	32,689.90
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from Banks and Financial Institutions	13,712.47	13,712.47			13,712.47
Trade Payables	29,019.77	29,019.77			29,019.77
Other Financial liabilities excluding derivative financial instruments	1,462.90	1,462.90			1,462.90
Total	44,195.14	44,195.14	-	-	44,195.14
Financial Liability at fair value through profit or loss					
Derivative financial instruments	107.04	107.04	-	107.04	-
Total	44,302.17	44,302.17	-	107.04	44,195.14

Notes to the consolidated financial statements for the year ended 31st March, 2020

(c) 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

42 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:

	2019-20	2018-19
	(+/ -) 50 Basis Points	(+/ -) 50 Basis Points
Effect on profit before tax due to interest rate sensitivity	**58.39**	92.98

(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.

Notes to the consolidated financial statements for the year ended 31st March, 2020

Foreign Currency Exposure		As at 31st March, 2020		As at 31st March, 2019	
		Foreign Currency	Functional Currency (Rs. in Lacs)	Foreign Currency	Functional Currency (Rs. in Lacs)
I Hedged					
Forward contracts for Imports	USD	4,000,000	3,031.42	10,900,940	7,777.18
	EURO	-	-	155,925	124.87
Forward contracts for Exports	USD	-	-	1,500,000	1,042.13
Option contracts for Exports	USD	-	-	400,000	277.90
II Not hedged					
Trade receivables	USD	3,843,963	2,897.96	4,182,895	2,893.31
	EURO	1,650,552	1,370.78	1,572,616	1,221.92
Trade payables	USD	343,560	243.01	1,756,303	1,214.83
	EURO	101,512	84.30	19,280	14.98
Advance to Supplier	CHF	53,292	41.77	-	-
Foreign currency loan availed under buyers' credit	USD	2,396,138	1,806.45	-	-
	EURO	219,780	182.53	-	-
Net Unhedged Portion					
Trade receivables	USD	1,104,266	848.51	2,426,593	1,678.47
	EURO	1,329,260	1,103.95	1,553,336	1,206.94
Advance to Supplier	CHF	53,292	41.77	-	-

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)

	2019-20	2018-19
	(+/-) 5%	(+/-) 5%
Effect on profit before tax		
USD	41.63	83.92
Euro	55.20	60.35
CHF	2.09	-
	98.91	144.27

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, 2020		As at 31st March, 2019	
		Foreign Currency	Fair Value as on 31.03.2020 (Rs.)	Foreign Currency	Fair Value as on 31.03.2019 (Rs.)
Derivatives not designated as hedges					
Forward Contracts	USD	4,000,000.00	3,051.30	12,400,940	8,719.43
	EURO	-	-	155,925	123.16
Option Contracts	USD	-	-	400,000	272.44
Mark to Market (Gain)/loss in Forward Contract			(19.88)		107.04

Notes to the consolidated financial statements for the year ended 31st March, 2020

(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, 2020	As at 31st March, 2019
Less than 6 months	**18,541.13**	29,515.31
6 to 12 months	**2,040.80**	738.08
more than 12 months	**2,937.07**	512.37
Total	**23,519.00**	30,765.76

(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.

	Less than 1 year	**1 to 5 years**	**> 5 years**	**Total**
31st March, 2020				
Borrowings				
Term Loans from Banks	**1,669.57**	**1,366.04**	**-**	**3,035.61**
Long Term Loans from Others	**34.78**	**2,222.77**	**-**	**2,257.55**
Cash credit from Banks	**999.15**	**-**	**-**	**999.15**
Buyers credit from Banks	**1,988.98**	**-**	**-**	**1,988.98**
WCDL from Bank	**1,900.26**	**-**	**-**	**1,900.26**
Other Financial Liabilities other than current maturities of borrowings and lease obligation	**1,520.98**	**-**	**-**	**1,520.98**
Trade Payables	**20,617.65**	**-**	**-**	**20,617.65**
	28,731.37	**3,588.81**	**-**	**32,320.18**

Notes to the consolidated financial statements for the year ended 31st March, 2020

31st March, 2019	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings				
Term Loans from Banks	1,626.58	3,022.36		4,648.94
Long Term Loans from Others	28.08	2,007.50		2,035.58
Cash credit from Banks	2,527.95			2,527.95
Buyers credit from Banks	-			-
WCDL from Bank	4,500.00			4,500.00
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,569.93			1,569.93
Trade Payables	29,019.77			29,019.77
	39,272.31	5,029.86	-	44,302.17

43 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, 2020	As at 31st March, 2019
Borrowings	**11,994.85**	13,712.47
Less: Current investments	**-**	-
Less: Cash and cash equivalents	**1,519.75**	1,883.83
(a) Net Debt	**10,475.10**	11,828.63
(b) Equity	**34,506.36**	31,773.13
(c) Equity and Net Debt (a+b)	**44,981.46**	43,601.76
Gearing Ratio (a/c)	**23.29%**	27.13%

B. Proposed Dividend

The Board of directors in its Board meeting held on 29th June 2020 have recommended the payment of a final dividend of Rs 0.12 paise per fully paid up equity share (March 31,2019 - Rs 0.24 paise), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

44 NET - DEBT RECONCILIATION

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Long term Borrowings	Short term borrowings	Long term Borrowings	Short term borrowings
Opening Net Debt	**5,288.88**	**8,682.61**	6,741.57	15,942.67
Repayment of Borrowings (Net)	**1,659.16**	**2,089.87**	1,654.57	7,260.07
Interest Expenses (including unwinding of Interest)	**768.62**	**3,772.12**	898.11	3,217.64
Interest Paid	**700.57**	**3,772.12**	696.23	3,217.64
Closing Net Debt	**3,697.77**	**6,592.73**	5,288.88	8,682.61

Notes to the consolidated financial statements for the year ended 31st March, 2020

(Rs. in Lacs)

45 EARNING PER SHARE (EPS)		As at 31st March, 2020	As at 31st March, 2019
(a) Face value of equity shares	Rs.	**2.00**	2.00
(b) Profit attributable to equity shareholders	Rs. (in Lacs)	**3,022.48**	2,561.75
(c) Weighted average number of equity shares outstanding	Nos.	**940.73**	940.73
(d) Weighted average Earning Per Share (Basic and Diluted)	Rs.	**3.21**	2.72

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:-

(Rs. in Lacs)

	As at 31st March, 2020	As at 31st March, 2019
(a) Revenue expenditure charged to Statement of Profit and Loss		
Other Expenses	**29.21**	36.93
(b) Capital expenditure shown under fixed assets schedule	**25.93**	89.51
Grand Total	**55.13**	126.45

47 ASSETS PLEDGED AS SECURITY

(Rs. in Lacs)

The carrying amount of Assets pledged as security for current and non current borrowings are :-	As at 31st March, 2020	As at 31st March, 2019
A. Current		
Financial Assets		
Trade Receivables	**23,519.00**	30,133.90
Other Current Assets	**5,601.62**	5,474.05
Cash and Cash Equivalents	**1,519.75**	1,883.83
Non Financial Assets		
Inventories	**15,228.77**	16,225.47
Total Current Assets Pledged as Security	**45,869.15**	53,717.25
B. Non Current		
Movable and immovable properties located at Surangi Unit	**14,001.12**	14,592.81
Movable and immovable properties located at Daman Unit	**1,889.95**	1,937.92
Movable and immovable properties located at Silvassa Unit	**1,516.48**	1,535.01
Movable and immovable properties located at Bhasa Unit	**575.04**	611.36
Movable properties located at Dhulagarh Unit	**3,464.44**	3,607.22
Property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai - 400066		

Notes -

1. Rupee Loan from SBI, 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 and movable fixed assets at Dhulagarh Unit and 2nd pari passu charge by way of hypothecation over entire current assets, stock and book debts of the Group both present and future.
2. Working Capital facilities (fund based and non fund based limits) are secured by 1st pari passu charge by way of equitable mortgage over property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai-400066 and by way of hypothecation over entire current assets, stock and trade receivables of the Group both present and future and 2nd 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 and movable fixed assets at Dhulagarh Unit.

Notes to the consolidated financial statements for the year ended 31st March, 2020

48 VALUE OF IMPORTED AND INDEGENEOUS MATERIAL CONSUMED **(Rs. in Lacs)**

Particulars	As at 31st March, 2020	%age of Total Consumption	As at 31st March, 2019	%age of Total Consumption
Raw Materials				
i Imported	**50,903.48**	**34%**	56,477.94	32%
ii Indegeneos	**100,034.50**	**66%**	119,955.11	68%
Total	**150,937.99**	**100%**	176,433.05	100%
Store, Spare parts and Components*				
i Imported	**164.88**	**23%**	181.19	30%
ii Indegeneous	**561.06**	**77%**	432.73	70%
Total	**725.94**	**100%**	613.92	100%

*Note :- The Consumption of store, spare parts and components includes direct store consumption shown seperately in Note -32 and it also includes indirect consumtion in various other expenses head such as Repair and maintenance etc.

49 VALUE OF IMPORTS ON CIF BASIS

(Rs. in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw Materials	**51,254.39**	47,869.71
Stors, Spare parts and Components	**164.88**	181.19
Capital Goods	**49.34**	600.50
Total	**51,468.60**	48,651.40

50 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Exports at FOB Value	**26,723.71**	29,899.27
Total	**26,723.71**	29,899.27

51 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Travelling		
Exhibition	**35.19**	30.08
Interest	**30.72**	129.62
Other Matters	**773.08**	438.23
Total	**872.14**	613.69

52 LEASES

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Notes to the consolidated financial statements for the year ended 31st March, 2020

Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases" using modified retrospective approach. The Group's lease asset classes primarily consist of leases for buildings and warehouses. These leases were classified as "Cancellable Operating Leases" under Ind AS 17. On transition to Ind AS 116 "Leases", the Group has used following practical expedient, when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

• The Group didn't recognized Right to Use and Lease liabilities for lease for which the lease terms pertaining to the uncancellable period ends within 12 months on the date of initial transition and low value assets.

• The Group excluded initial direct cost from measurement of the Right to Use assets at the date of initial application.

• The Group uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Hence, the Group has recognised the lease payments associated with those leases as an expense on a straight line basis over the lease term.

	(Rs. In Lacs)
Short-term leases expenses incurred for the year ended 31st March, 2020:	**Amount**
Particulars	
Rental expense	676.38

53 IMPACT OF COVID-19

The World Health Organization declared a global pandemic of the coronavirus disease (Covid-19) on 11th Feb, 2020. The impact of the disease is being felt in India as well and the central government declared a PAN India lockdown on 24th March, 2020. The lockdown has been extended several times since then. The effect of coronavirus (Covid-19) outbreak on public life and industries is also affecting the demand for the Group's product in the country across several market segments.

However, the Group companies has started operations, in a phased manner, with reduced manpower. Gradually operations are being stepped up. The Group companies has fully followed the guidelines issued by the Central Government for reopening of manufacturing units/offices. The Group also opened its head office, Delhi and Mumbai offices keeping in view the employee safety first approach and maintained social distancing and other health & safety norms to minimize the spread of disease.

While the pandemic is expected to have negative impact on the financial performance of Group, the situation in the country still remain uncertain and, therefore, it is difficult to quantify the magnitude, and duration of such impact at this stage. However, preliminary estimates based on sales trend in the past weeks and through interaction with our customers indicates possibly sizeable reduction in turnover & profitability in respect of the financial year 2020-21. The Group's focus on liquidity, supported by strong balance sheet & cost optimization initiatives would help the Group in navigating near term challenges in the demand environment while the pandemic is expected to have negative impact on the financial performance of Group, the situation in the country still remain uncertain and, therefore, it is difficult to quantify the magnitude, and duration of such impact at this stage. However, preliminary estimates based on sales trend in the past weeks and through interaction with our customers indicates possibly sizeable reduction in turnover & profitability in respect of the financial year 2020-21. The Group's focus on liquidity, supported by strong balance sheet & cost optimization initiatives would help the Group in navigating near term challenges in the demand environment.

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

Notes to the consolidated financial statements for the year ended 31st March, 2020

54 The Taxation Laws (Amendment) Act 2019 ('the Act'), was passed whereby existing domestic companies were given the option to compute income-tax at a lower rate of 22% (plus applicable surcharge and cess) under section 115BAA of the Income Tax Act, 1961 instead of the existing rate of 25% (plus applicable surcharge and cess). However, a domestic company can avail such lower tax rate only if it forgoes various deductions, exemptions or incentives specified in this behalf in the Act. The aforementioned option can be availed at the option of the domestic company for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020. There is no time limit to choose the option of lower tax rate under section 115BBA, however, once chosen it is irreversible.

The Holding Group has made an assessment of the impact of the Act and opted for concessional rate of taxation during the year ended 31st March, 2020 as per the provisions of Section 115BAA of the Income Tax Act, 1961 made effective from financial year 2019-20 pursuant to the above Taxation Laws (Amendment) Act, 2019. Accordingly, the provision for Income Tax and Deferred Tax balances have been recorded/re-measured using the new tax rate @ 25.17% and the resultant impact is recognised in the Statement of Profit and Loss for the year ended 31st March, 2020. Also the Group will not be required to pay Minimum Alternate Tax under section 115JB of the Act and also will not be able to claim MAT credit for taxes paid under MAT. Hence, the carrying amount of MAT credit has been written off in current year. However the subsidiary and associate company continue in old tax regime.

55 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate affairs (MCA) notifies new standards or amendment to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

56 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 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 : 29th June, 2020
Place : Kolkata

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer


BUREAU VERITAS
Certification
ISO 9001:2015


BUREAU VERITAS
Certification
ISO 9001:2015


TEST REPORT N° 114901 - 628815


BUREAU VERITAS
Certification
ISO 9001:2015


KEMA
TIC 1002-14
TYPE TEST CERTIFICATE OF COMPLETE TYPE TESTS
IEC 60502-2


KEMA

Kkalpana Industries (India) Limited

(Formerly : Kalpena Industries Limited)

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E-mail : kolkata@kkalpana.co.in

www.kkalpanagroup.com

BASCO
BAID AGARWAL SINGHI & CO.
Chartered Accountants

C/O Long Run Services LLP
Turner Morrison Building,
6, Lyons Range, Gate No.-2
1st Floor, Kolkata -700 001
Ph. : 033 40042041
Email : baid.agarwal.singhi@gmail.com
Website : www.baidagarwalsinghi.com

Annexure 7

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DDEV PLASTIKS INDUSTRIES LIMITED

Opinion

We have audited the accompanying financial statements of**DDEV PLASTIKS INDUSTRIES LIMITED**('the company'), which comprise the Balance Sheet as at 9th December, 2020,the Statement of Profit and Loss for the period then ended and a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 9th December, 2020, and of its financial performance for the period then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Those charged with governance are responsible for overseeing the company's financial reporting process.

BAID AGARWAL SINGHI & CO. Chartered Accountants

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For Baid Agarwal Singhi & Co.
Chartered Accountants
Firm Registration No.328671E

D. Agarwal.

(Dhruv N Agarwal)
Partner
Membership No. 306940

Place: Kolkata

Dated: the 9th day of December, 2020.

UDIN: 20306940AAAACF3055

BAID AGARWAL SINGHI & CO. Chartered Accountants

DDEV PLASTIKS INDUSTRIES LTD.
CIN : U24290WB2020PLC241791
AUDITED BALANCE SHEET AS AT 9th DECEMBER, 2020

	Note No.	(Rs. In INR) As at 9th December, 2020
A ASSETS		
1 Current Assets		
Financial Assets		
(i) Cash & Cash Equivalents	4	100,000
Total		**100,000**
B EQUITY & LIABILITIES		
1 Equity		
Equity Share Capital	5	100,000
Total		**100,000**

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 BAID AGARWAL SINGHI & CO.
Chartered Accountants
Firm Registration No:328671E

D. Agarwal

Dhruv Narayan Agarwal
Partner
Membership No.306940
Date : 9th December, 2020
Place : Kolkata
UDIN : 20306940AAAACF3055

BAID AGARWAL SINGHI & CO. Chartered Accountants

For and on behalf of Board of Directors

Surendra Kumar Surana
(Director)

Dev Krishna Surana
(Director)

DDEV PLASTIKS INDUSTRIES LIMITED 2B, Pretoria Street, Kol-71

DDEV PLASTIKS INDUSTRIES LTD.

CIN : U24290WB2020PLC241791

AUDITED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 9th DECEMBER, 2020

(Rs. In INR)

		Note	As at 9th December, 2020
I	**INCOME**		
	Revenue from Operations	6	-
	Total Income		-
II	**EXPENSES**	7	-
	Total Expenses		-
III	**PROFIT BEFORE EXCEPTIONAL ITEMS & TAXATION**		
	Exceptional items		-
III	**PROFIT BEFORE TAX**		-
	Total Tax expense		-
IV	**PROFIT FOR THE YEAR AFTER TAX**		-
V	**OTHER COMPREHENSIVE INCOME**		-
VI	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		-

Significant Accounting Policies and other information 1-3

The accompanying notes form an integral part of the financial statements

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

For BAID AGARWAL SINGHI & CO.
Chartered Accountants
Firm Registration No:328671E

D. Agarwal.

Dhruv Narayan Agarwal
Partner
Membership No.306940
Date : 9th December, 2020
Place : Kolkata
UDIN : 20306940AAAACF3055

BAID AGARWAL SINGHI & CO. Chartered Accountants

For and on behalf of Board of Directors

Surendra Kumar Surana
(Director)

Dev Krishna Surana
(Director)

DDEV PLASTIKS INDUSTRIES LIMITED 2B, Pretoria Street, Kol-71

DDEV PLASTIKS INDUSTRIES LTD.

Notes to the financial statements for the period ended 9th December, 2020

1. **COMPANY INFORMATION**

Ddev Plastiks Industries Limited ("the Company") was incorporated in India on 07th of December, 2020. The Company is domiciled in India. The registered office is located at 2B Pretoria Street, Kolkata.

The financial statements of the Company for the period ended 9th December, 2020 were authorised for issue in accordance with a resolution of the Board of Directors as on 11th December, 2020.

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. 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.

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.

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).

2.3 **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 and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and reported amount of revenue and expenses during the period. 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 **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.

DDEV PLASTIKS INDUSTRIES LIMITED 2B, Pretoria Street, Kol-71

DDEV PLASTIKS INDUSTRIES LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 9th DECEMBER 2020

		As at 9th December, 2020
4	**CASH & CASH EQUIVALENTS**	
(a)	Balance with banks:	
	(i) In Current Accounts	100,000.00
		100,000.00

5 EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity)

Authorised Shares	
10,000 Shares of Rs. 10 each	100,000.00
Issued, Subscribed and Paid Up	100,000.00
10,000 Shares of Rs. 10 each	
	100,000.00

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

Sl. No.	Name of the Shareholders	As at 9th December 2020	
		No. of Shares held	% of Holding
1	Kkalpana Industries (India) Ltd.	10,000	100.00%

Out of the above 6 (Six) shares are held by nominees of Kkalpana Industries (India) Ltd.

For BAID AGARWAL SINGHI & CO.
Chartered Accountants
Firm Registration No:328671E

D. Agarwal.

Dhruv Narayan Agarwal
Partner
Membership No.306940
Date : 9th December, 2020
Place : Kolkata
UDIN : 20306940AAAACF3055

For and on behalf of Board of Directors

Surendra Kumar Surana
(Director)

DDEV PLASTIKS INDUSTRIES LIMITED 28, Pretoria Street, Kol-71

Dev Krishna Surana
(Director)

BAID AGARWAL SINGHI & CO. Chartered Accountants

Kkalpana

Kkalpana Industries (India) Limited

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KKALPANA INDUSTRIES (INDIA) LIMITED ON DECEMBER 11, 2020, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON THE EQUITY SHAREHOLDERS (INCLUDING PROMOTER & NON-PROMOTER), KEY MANAGERIAL PERSONNEL & EMPLOYEES AND CREDITORS (SECURED OR UNSECURED) OF THE COMPANY

The Board of Directors of Kkalpana Industries (India) Limited at its meeting held on December 11, 2020 has considered and approved the draft Scheme of Arrangement between Kkalpana Industries (India) Limited ("Demerged Company" or "the Company") and Ddev Plastiks Industries Limited (the "Resulting Company"), and their respective Shareholders and Creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 (the "Scheme"), which, inter-alia, provides for demerger of the 'Compounding Business Undertaking' of the Company and transfer and vesting thereof into the Resulting Company.

Provisions of Section 232(2)(c) of the Companies Act, 2013, require the Board of Directors to adopt a report explaining the effect of compromise or arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular, the share entitlement ratio and specifying special valuation difficulties, if any, and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

This report of the Board of Directors is accordingly being made pursuant to the requirements of Section 232(2)(c) of the Companies Act, 2013.

While deliberating on the Scheme, the Board, inter-alia, considered and took on record the following Documents:

- Draft Scheme of Arrangement;
- Share Entitlement Ratio Report dated 9 December 2020 issued by Abhinav Agarwal, Registered Valuer, inter-alia, describing the methodology adopted by them in arriving at the share entitlement ratio;
- Fairness Opinion dated 9 December 2020 issued by Sundae capital Advisors Private Limited, a SEBI Registered (Category-I) Merchant Banker;
- Certificate of Net-worth dated 11 December 2020 issued by B. Mukherjee & Co., Chartered Accountants;
- Certificate of the statutory auditors of the Company, B. Mukherjee & Co., Chartered Accountants, dated 11 December 2020, certifying the turnover, profitability and net worth of the Demerged Undertaking to be transferred to the Resulting Company;

KKALPANA INDUSTRIES (INDIA) LIMITED 2B, Pretoria Street, Kol-71

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Mumbai Office : 106, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053, India
Tel.: +91-22-67021470/71/72, Fax : +91-22-6702 1473 E-mail : mumbai@kkalpana.co.in
www.kkalpanagroup.com
CIN : L19202WB1985PLC039431

Kkalpana

Kkalpana Industries (India) Limited

- Certificate dated 9 December 2020 of B. Mukherjee & Co., Chartered Accountants, (Statutory Auditors) confirming that the accounting treatment outlined in the Scheme is in compliance with the applicable accounting standards notified under the Companies Act, 2013 and other generally accepted accounting principles;
- Report of the Audit Committee, dated December 11, 2020, recommending the Scheme to the Board;
- Report of the Committee of Independent Directors, dated December 11, 2020, recommending the Scheme to the Board;
- Undertaking from the Company with regard to the non-applicability of the requirements prescribed in Paragraph (I)(A)(9) of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended to the Scheme; and
- Certificate from the Statutory Auditors, B. Mukherjee & Co., Chartered Accountants, certifying the undertaking from the Company with regard to the non-applicability of the requirements prescribed in Paragraph (I)(A)(9) of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended to the Scheme.

After taking on record the documents / confirmations referred above, the Board of the Demerged Company approved the draft Scheme of Arrangement.

The following is the Report taking into consideration the aforesaid provisions:

1. **Share Entitlement Ratio**

Share Entitlement Report dated 9 December 2020 was obtained from Abhinav Agarwal, Registered Valuer recommending the following share entitlement ratio:

"1 (one) 1 fully paid up equity shares of INR 1/- each of the Resulting Company, for every 1 (one) fully paid up equity shares of INR 2/- each in the Demerged Company."

Sundae Capital Advisors Private Limited, a SEBI Registered Category-I Merchant Banker, in its Fairness Opinion dated 9 December 2020 have provided an opinion that the aforesaid share entitlement ratio is fair and reasonable to the equity shareholders of the Demerged Company.

No special valuation difficulties were reported by Abhinav Agarwal, Registered Valuer in their aforesaid report.

KKALPANA INDUSTRIES (INDIA) LIMITED 2B, Pretoria Street, Kol-71

Kkalpana

Kkalpana Industries (India) Limited

2. **Effect of the Scheme on the Shareholders (including Promoters & Non-Promoter Shareholders) and Key Managerial Personnel ("KMP") of the Demerged Company**

- There is only one class of shareholders, i.e., equity shareholders, which includes the promoter as well as non-promoter shareholders of the Demerged Company.
- On demerger, the Resulting Company will issue and allot equity shares to each member of the Demerged Company, whose name is recorded in the register of members on the Record Date, as per the above mentioned share entitlement ratio.
- The equity shares so issued and allotted as provided above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank pari-passu in all respects with the equity shares of the Resulting Company after the Effective Date (as defined in the Scheme) including in respect of dividend, if any, that may be declared by the Demerged Company on or after the Effective Date.
- There would be no dilution or increase in the shareholding of the promoter or non-promoter shareholders of the Demerged Company.
- In terms of the Scheme, consequent upon demerger, on the Record Date, the set of shareholders and their holding proportion being proposed in the Resulting Company, is identical to that of the Demerged Company, and thus, the overall economic interest of equity shareholders of the Demerged Company shall remain the same.

3. **Effect of the Scheme on Key Managerial Persons ("KMP") and Employees of the Demerged Company**

The Scheme will have no effect on KMPs of the Demerged Company except to the extent of their respective shareholding and effect thereon as detailed in point 2 above.

All officers and employees of the Demerged Company, engaged in the Demerged Undertaking, as identified by the Demerged Company and in employment on the Effective Date, shall become the officers and employees of the Resulting Company on such date as if they were in continuous service without any break or interruption in service and on same terms and conditions as to remuneration, subsisting with reference to the Demerged Company, as on the said date. All funds and benefits accumulated in respect of the above officers and employees shall also be transferred to the Resulting Company.

4. **Effect of the Scheme on Creditors (Secured and Unsecured) of the Demerged Company**

Under the Scheme, there is no arrangement or compromise offered to the creditors (secured and unsecured) of the Demerged Company. Liabilities of any of the creditors of

KKALPANA INDUSTRIES (INDIA) LIMITED 2B, Pretoria Street, Kol - 71 the Demerged Company would neither be reduced nor be extinguished in pursuance of the Scheme.

Adopted at the meeting of the Board of Directors of the Company held on December 11, 2020.

On behalf of the Board
For **Kkalpana Industries (India) Limited**

Dev Krishna Surana
Director

Place: Kolkata
Date: December 11, 2020

Regd. Office : 28, Pretoria Street, Kolkata - 700 071
Tel. : +91-33-2282 3744/45/3671/99, Fax : +91-33-2282 3739, E-mail : kolkata@kkalpana.co.in
Mumbai Office : 106, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053, India
Tel.: +91-22-67021470/71/72, Fax : +91-22-6702 1473 E-mail : mumbai@kkalpana.co.in
www.kkalpanagroup.com
CIN : L19202WB1985PLC039431

DDEV PLASTIKS INDUSTRIES LIMITED

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF DDEV PLASTIKS INDUSTRIES LIMITED ON DECEMBER 11, 2020, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON THE EQUITY SHAREHOLDERS (INCLUDING PROMOTER & NON-PROMOTER), KEY MANAGERIAL PERSONNEL AND CREDITORS (SECURED AND UNSECURED) OF THE COMPANY

The Board of Directors of Ddev Plastiks Industries Limited at its meeting held on December 11, 2020 has considered and approved the draft Scheme of Arrangement between Kkalpana Industries (India) Limited (the "Demerged Company") and Ddev Plastiks Industries Limited (the "Resulting Company"), and their respective Shareholders and Creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("Scheme"), which, inter-alia, provides for demerger of the 'Compounding Business Undertaking' of the Demerged Company and transfer and vesting thereof into the Resulting Company.

Provisions of Section 232(2)(c) of the Companies Act, 2013, require the Board of Directors to adopt a report explaining the effect of compromise or arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular, the share entitlement ratio and specifying special valuation difficulties, if any, and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

This report of the Board of Directors is accordingly being made pursuant to the requirements of Section 232(2)(c) of the Companies Act, 2013.

While deliberating on the Scheme, the Board, inter-alia, considered and took on record the following Documents:

- Draft Scheme of Arrangement;
- Share Entitlement Ratio Report dated 9 December 2020 issued by Abhinav Agarwal, Registered Valuer, inter-alia, describing the methodology adopted by them in arriving at the share entitlement ratio;
- Fairness Opinion dated 9 December 2020 issued by Sundae Capital Advisors Private Limited, a SEBI Registered Category-I Merchant Banker;
- Certificate of Net-worth dated 11 December 2020 issued by Baid Agarwal Singhi & Co., Chartered Accountants; and
- Certificate dated 9 December 2020 of Baid Agarwal Singhi & Co., Chartered Accountants (Statutory Auditors), confirming that the accounting treatment outlined in the Scheme is in compliance with the applicable accounting standards notified under the Companies Act, 2013 and other generally accepted accounting principles.

After taking on record the documents / confirmations referred above, the Board of the Resulting Company approved the draft Scheme of Arrangement.

The following is the Report taking into consideration the aforesaid provisions:

1. **Share Entitlement Ratio**

Share Entitlement Report dated 9 December 2020 obtained from Abhinav Agarwal, Registered Valuer recommending the following share entitlement ratio:

"1 (one) 1 fully paid up equity shares of INR 1/- each of the Resulting Company, for every 1 (one) fully paid up equity shares of INR 2/- each in the Demerged Company."

Sundae Capital Advisors Private Limited, a SEBI Registered Category-I Merchant Banker, in its Fairness Opinion dated 9 December 2020 have provided an opinion that the aforesaid share entitlement ratio is fair and reasonable.

No special valuation difficulties were reported by Abhinav Agarwal, Registered Valuer in their aforesaid report.

CIN: U24290WB2020PLC241791
Regd. Office: 2B, Pretoria Street, Kolkata - 700071
E-mail: ddevplastiksindustriesltd@gmail.com Tel.: 033-22823744

DDEV PLASTIKS INDUSTRIES LIMITED 2B, Pretoria Street, Kol-71

DDEV PLASTIKS INDUSTRIES LIMITED

2. **Effect of the Scheme on the Shareholders (including Promoters & Non-Promoter Shareholders) and Key Managerial Personnel ("KMP") of the Resulting Company**

- There is only one class of shareholders. i.e. equity shareholders.
- The entire equity share capital of the Resulting Company is held by the Demerged Company (Promoter) and its nominees. The Company does not have any non-promoter shareholders.
- Upon the Scheme becoming effective, the existing equity shares of the Resulting Company, held by the Demerged Company along with its nominees shall stand cancelled, extinguished and annulled as enshrined in Clause 18 of the Scheme. Accordingly, the existing shareholders would no longer hold any shares in the Company.
- On demerger, the Resulting Company will issue and allot equity shares to each member of the Demerged Company, whose name is recorded in the register of members of the Demerged Company on the Record Date, as per the above mentioned share entitlement ratio.
  In terms of the Scheme, consequent upon demerger, on the Record Date, the set of shareholders and their holding proportion being proposed in the Resulting Company, is identical to that of the Demerged Company, and thus, the overall economic interest of equity shareholders of the Demerged Company shall remain the same.
- The Resulting Company does not have any KMPs (other than Directors) as on present date. Further, the Resulting Company would be changing / would be appointing new KMP's / Directors in pursuance of the Scheme becoming effective in order to comply with the requirements of the relevant provisions of various applicable acts, rules, regulations and guidelines, applicable for listed companies.

3. **Effect of the Scheme on Creditors (Secured and Unsecured) of the Resulting Company**

The Resulting Company does not have any creditors (secured and unsecured).

Adopted at the meeting of the Board of Directors of the Company held on December 11, 2020.

On behalf of the Board
For **Ddev Plastiks Industries Limited**

DDEV PLASTIKS INDUSTRIES LIMITED 2B, Pretoria Street, Kol-71

Dev Krishna Surana (DIN: 08357094)
Director

Place: Kolkata
Date: December 11, 2020

BSE Limited Registered Office: Floor 25,.P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

EXPERIENCE THE NEW

DCS/AMAL/PB/R37/1937/2020-21 **"E-Letter"** **April 1,2021**

The Company Secretary,
Kkalpana Industries (India) Ltd
2B, Pretoria Street, Kolkata,
West Bengal, 700071

ASIS KUMAR SEN NOTARY Regd. No. 13802/13 KOLKATA EXPIRY DATE Notary, Govt. of India

Dear Sir,

Sub: Observation letter regarding the Scheme of Arrangement between Kkalpana Industries (India) Limited and Ddev Plastiks Industries Limited and their respective shareholders and creditors

We are in receipt of Draft Scheme of Arrangement of Kkalpana Industries (India) Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its Letter dated March 31,2021 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that the requisite process for listing of the Resulting Company is completed in a timely manner. Towards this, it shall inform the Exchange(s) about the order of the NCLT and complete the process of listing of Resulting Company in a timely manner"**
- **"Company shall ensure that suitable disclosure about the latest financials of the companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon'ble National Company Law Tribunal."**
- **"Company shall ensure that the proposed scheme is acted upon only if approved by the NCLT and if the majority votes cast by the public shareholders are in favour of the proposal"**
- **"Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**
- **"Company shall duly comply with various provisions of the Circular."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further,

ASIS KUMAR SEN
NOTARY
Regd. No. 3802/18
KOLKATA
EXPIRY DATE
31.12.23
Notary, Govt. of India

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T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Ddev Plastiks Industries Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Ddev Plastiks Industries Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Ddev Plastiks Industries Limited is at the discretion of the Exchange. In addition to the above, the listing of Ddev Plastiks Industries Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Ddev Plastiks Industries Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.

2. To publish an advertisement in the newspapers containing all Ddev Plastiks Industries Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about Ddev Plastiks Industries Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provisions shall be incorporated in the scheme:

   i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."

   ii. "There shall be no change in the shareholding pattern of Ddev Plastiks Industries Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as

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Corporate Identity Number: L67120MH2005PLC155188

the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted**. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

Nitinkumar Pujari
Senior Manager

ASIS KUMAR SEN
NOTARY
Regd. No. 1882/13
KOLKATA
EXPIRY
31.12.25
Notary, Govt. of India

The Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata - 700 001
Phone : +91 33 4025 3000, Fax : +91 33 4025 3030 / 3017
Website : www.cse-india.com, E-mail : cseadmn@cse-india.com
CIN: U67120WB1923PLC004707

Ref.No. CSE/LD/ 15292/2021 April 8, 2021

The Company Secretary
Kkalpana Industries (India) Ltd.,
2B, Pretoria Street,
Kolkata-700 071.

Dear Sir,

Sub: Observation letter regarding the Scheme of Arrangement between Kkalpana Industries (India) Ltd. and Ddev Plastiks Industries Limited and their respective shareholdersand creditors.

We are in receipt of the draft Scheme of Amalgamation Arrangement between Kkalpana Industries (India) Ltd. and Ddev Plastiks Industries Limited and their respective shareholders and creditors.

As required under SEBI Circular No.CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated March 31, 2021 has inter alia given its comments on draft scheme field by the company. A copy of SEBI comment letter is attached for your perusal and necessary compliance at your end.

In view hereof, we hereby advise that we have no adverse observations with limited reference to those matters having bearing on listing/de-listing/continuous listing requirements (if any) within the provisions of the Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. and subject to the approval of the shareholders to the Scheme of Arrangement at the ensuing General meeting of the company.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

For THE CALCUTTA STOCK EXCHANGE LTD.

Chandrani
8/4/2021.
(CS Chandrani Datta)
Executive-Listing

Kanchan
08/4/21

Assistant General Manager
Corporation Finance Department
Division of Issues and Listing-I
Phone: +91-22 26449000 (Extn.: 9546)
Email: komalb@sebi.gov.in

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange Board of India

CFD/DIL-1/YJ/KB/7348/1/2021
March 31, 2021

Shri Gopalkrishnan Iyer
Chief General Manager,
BSE Ltd.,
Floor 25, P J Towers,
Dalal Street, Mumbai – 400001

Dear Sir,

Sub: Comments on Scheme of Arrangement between Kkalpana Industries(India) Limited and Ddev Plastiks Industries Limited and their respective shareholders and creditors.

1. This has reference to your Letter No.LIST/LO/SEBI/PB/542/2020-21 dated February 10, 2021 forwarding the application of scheme of arrangement between Kkalpana Industries (India) Ltd and Ddev Plastiks Industries Limited and its shareholders filed in accordance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (hereinafter referred to as 'the Circular') for our comments on the draft Scheme of arrangement (hereinafter referred to as 'Draft Scheme').

2. The matter has been examined by SEBI in the light of the provisions under Part A, Annexure I of the aforesaid Circular. Accordingly, SEBI's comments on the Draft Scheme are as under:

   a. Stock Exchange to ensure compliance with the said Circular.

   b. Stock Exchange(s) shall ensure to follow up with the Company on the order of Hon'ble NCLT in the matter and that the requisite process for listing of the Resulting Company is completed in a timely manner. Towards this, the Stock Exchange(s) shall advise the Company to inform the Exchange(s) about the order of the NCLT and complete the process of listing of Resulting Company in a timely manner."

   c. The company shall duly comply with various provisions of the Circular.

   d. Stock Exchange to ensure that suitable disclosure about the latest financials of the company being not more than 6 months old is done before filing the same with the Hon'ble National Company Law Tribunal.

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051
दूरभाष : 2644 9950 / 4045 9950 (आई वी आर एस), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
Tel : 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in

e. The Stock Exchange shall ensure that the proposed scheme is acted upon only if approved by the NCLT and if the majority votes cast by the public shareholders are in favour of the proposal.

f. The Stock Exchange shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.

g. Stock exchange shall advise the company that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.

3. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.

4. Please note that the submission of documents/information in accordance with the Circulars, to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Yours faithfully,

Komal Bais

Ms. Chandrani Datta
Executive – Listing
The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata 700001

Annexure 11

DISCLOSURE DOCUMENT COMPRISING OF APPLICABLE INFORMATION PERTAINING TO DDEV PLASTIKS INDUSTRIES INDIA LIMITED IN THE FORMAT PRESCRIBED FOR ABRIDGED PROSPECTUS AS PROVIDED IN PART E OF SCHEDULE VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2018, TO THE EXTENT APPLICABLE

This disclosure document ("Document") contains applicable information pertaining to the unlisted company, Ddev Plastiks Industries Limited ("Resulting Company" or "DPIL"), a wholly owned subsidiary of Kkalpana Industries (India) Limited ("Demerged Company" or "KIIL"), and the proposed scheme of arrangement between KIIL and DPIL and their respective shareholders and creditors ("Scheme").

This Document has been prepared in connection with the above Scheme, pursuant to the Securities and Exchange Board of India ("SEBI") master circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 ("Circular"). This Document should be read together with the Scheme, approved by the Board of Directors of KIIL and DPIL *vide* resolutions dated December 11, 2020. The shareholders are advised to retain a copy of this Document for their future reference.

You may download the Scheme from the website of KIIL (www.kkalpanagroup.com) or the websites of Stock Exchanges where the equity shares of KIIL are listed, BSE Limited ("BSE") and The Calcutta Stock Exchange Limited ("CSE") ("Stock Exchanges"), i.e., from www.bseindia.com and www.cse-india.com.

THIS DOCUMENT CONTAINS [7] PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS DOCUMENT. HOWEVER, EQUITY SHARES OF DPIL WOULD BE ISSUED TO THE SHAREHOLDERS OF KIIL PURSUANT TO THE SCHEME.

(Terms not defined herein shall have their meaning ascribed to them under the Scheme)

DDEV PLASTIKS INDUSTRIES LIMITED

(Ddev Plastiks Industries Limited was incorporated on December 07, 2020 under the provisions of the Companies Act, 2013, with the Registrar of Companies, Kolkata.)

Registered Office and Corporate Office: 2B, Pretoria Street, Kolkata – 700 071, West Bengal

Contact Person: Mr. Dev Krishna Surana; Tel.: +91 6292242145;
E-mail: ddevplastiksindustriesltd@gmail.com; Website: -
CIN: U24290WB2020PLC241791

NAME OF PROMOTER OF DDEV PLASTIKS INDUSTRIES LIMITED:
KKALPANA INDUSTRIES (INDIA) LIMITED

FOR PRIVATE CIRCULATION TO THE SHAREHOLDERS OF KIIL ONLY

DDEV PLASTIKS INDUSTRIES LIMITED 2B, Pretoria Street, Kol-71

DETAILS OF THE SCHEME, LISTING AND PROCEDURE

Objective of the Scheme
The Scheme provides demerger and vesting of the '**Compounding Business Undertaking**' of KIIL, as a going concern to DPIL pursuant to sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 ("the Act") and rules made thereunder.

Commercial rationale of the Scheme
The commercial rationale for undertaking the aforesaid demerger is summarized below:

- Segregation of the two undertakings of Demerged Company, *viz.*, 'Compounding Business Undertaking' and 'Reprocessing Business Undertaking', would enable focused management of the two businesses, thereby facilitating exploring of potential business opportunities effectively and efficiently.
- The demerger would result in operational and strategic efficiency of the two businesses, thereby fuelling profitability and shareholders' wealth.
- Targeting and attracting new investors with specific focus in the respective businesses.
- The funding requirements of the two business are quite different; the funding requirement of Compounding Business Undertaking being relatively higher as compared to that of the Reprocessing Business Undertaking, segregation of the two businesses would thus facilitate such distinct funding requirements of the two businesses to be catered independently.

The detailed rationale for demerger is duly provided in the Scheme.

Consideration for demerger
In consideration of the aforesaid demerger, all the equity shareholders of Demerged Company would be issued fully paid-up equity shares of Resulting Company.

Other allied matters covered by the Scheme
Further, the Scheme also provides for reduction and cancellation of equity shares of Resulting Company held by Demerged Company and its nominees (without payment of consideration), in terms of section 66 of the Act. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

Listing of equity shares of Resulting Company
After the Scheme becoming effective, the share capital of the Resulting Company, consisting of fully paid-up new equity shares of the Resulting Company issued to the shareholders of the Demerged Company as consideration in terms of Part B of the Scheme shall be listed on BSE Limited ("BSE"), in accordance with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated 10th March, 2017, as amended from time to time.

The requirements with respect to General Information Document are not applicable and this Document should be read accordingly.

ELIGIBILITY FOR THE ISSUE

Not Applicable

DEV PLASTIKS INDUSTRIES LIMITED
2B, Pretoria Street, Kol-71

INDICATIVE TIMELINE
This Document should not be deemed to be an offer to the public. The Scheme requires approval of the National Company Law Tribunal, Kolkata Bench ("Jurisdictional NCLT") and shall become effective from the Effective Date defined in clause 1.9 of the Scheme. However, the Appointed Date for the Scheme is April 01, 2021 or such other date as may be approved by the Jurisdictional NCLT.
GENERAL RISKS
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI Guarantee the accuracy or adequacy of the contents of the Abridged Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" of this Abridged Prospectus.
PRICE INFORMATION OF BRLM'S
Not applicable
MERCHANT BANKER
Sundae Capital Advisors Private Limited 3rd Floor, C - 11, Community Centre Janak Puri, New Delhi - 110 058 Tel: +91 11 4914 9740 Investor Grievance E-mail: grievances.mb@sundaecapital.com Website: www.sundaecapital.com SEBI Regn. No.: INM000012494
PROMOTERS OF DPIL
The Promoter of DPIL is KIIL, holding 100.00% of the total issued and paid-up share capital of DPIL. KIIL was incorporated in the state of West Bengal on September 03, 1985. The registered office of KIIL is situated at 2B, Pretoria Street, Kolkata – 700 071. The equity shares of KIIL are listed on BSE Limited and Calcutta Stock Exchange Limited. KIIL is engaged in business of manufacturing plastic compounds and reprocessing / recycling of plastic.

DDEV PLASTIKS INDUSTRIES LIMITED
28, Pretoria Street, Kol-71

BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY
Currently, there are no business operations in DPIL. DPIL has been incorporated to undertake the "Compounding Business Undertaking" of KIIL, proposed to be demerged to the former *vide* the Scheme. The "Compounding Business Undertaking" caters to a range of sectors *viz.,* housing wiring, high voltage cables, packaging, white goods, automotive, footwear, to name a few. Post demerger, DPIL would be looking forward to following strategic actions vis-à-vis the "Compounding Business Undertaking" acquired by it: • Exploring potential business opportunities, considering the various strengths and business dynamics in the form of nature of risks, competition, challenges, opportunities and business methods; • Designing and implementing independent strategies for optimizing profitability and maximizing shareholders' wealth; • Targeting technological tie-ups and investors with focus and expertise in the business in order to provide impetus to overall long-term growth strategies.

BOARD OF DIRECTORS

Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
1	Mr. Surendra Kumar Surana	Director	He is having more than 30 years of experience in dealing in polymer compound. His key skills are administration and liasoning. He has been associated with KIIL since its inception. One of the promoters of KIIL, currently, in addition to DPIL, he holds directorship in Plastic Processors and Exporter Private Limited, Bbigplas Poly Private Limited and Ddev Plastic Limited.
2	Rajesh Kumar Kothari	Director	He is having more than 29 years of experience in the areas of marketing, after sales service and market research. He started his career in 1985 with Kanoria Chemicals & Industries Limited. He is associated with KIIL since 1997. Currently, in addition to DPIL and

DDEV PLASTIKS INDUSTRIES LIMITED
2B, Pretoria Street, Kol-71

			KIIL, he also holds directorship in Kalawati Embroideries Private Limited and Ddev Plastic Limited.
3	Mr. Dev Krishna Surana	Director	He is having key skills in project management, human resource, administration and information technology. He has been associated with KIIL in various projects and was taken on the Board of Directors in February 2019. Currently, in addition to DPIL and KIIL, he also holds directorship Ddev Plastic Limited.

OBJECTS OF THE SCHEME

Kindly refer to the brief details of the Scheme provided in the section titled "Details of the Scheme, Listing And Procedure" above.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public issues/ rights issues, if any, of DPIL in the preceding 10 years: Not Applicable

Name of monitoring agency, if any: Not Applicable

Terms of issue of convertible security, if any: Not Applicable

Pre-Scheme Shareholding pattern of DPIL			
Sr. No.	**Particulars**	**Pre-Scheme number of shares**	**% holding – pre-Scheme**
1	Promoter and promoter group	10,000*	100%
2	Public	-	-
Total		**10,000**	**100%**

* *Includes 6 nominee shareholders holding 1 equity shares each on behalf of KIIL, the holding company*

Post-Scheme Shareholding pattern of DPIL (indicative)			
Sr. No.	**Particulars**	**Post-Scheme number of shares***	**% holding – post-Scheme***
1	Promoter and promoter group	70,405,545	74.84
2	Public	23,667,385	25.16
Total		**94,072,930**	**100.00**

Number / amount of equity shares proposed to be sold by selling shareholders, if any: Not Applicable

DDEV PLASTIKS INDUSTRIES LIMITED 2B, Pretoria Street, Kol-71

DETAILS OF STATUTORY AUDITOR OF DPIL

Name: Baid Agarwal Singhi & Co., Chartered Accountants

Address: 1st floor, Turner Morrison Building, 6, Lyons Range, Gate no. 2, Kolkata – 700 001

Firm registration number: 328671E

AUDITED FINANCIALS OF DPIL

Amounts in INR crores

Particulars	For the period 7th December 2020 to 9th December 2020
Total income from operations (net)	-
Net profit / (loss) before tax and extraordinary items	-
Net profit / (loss) after tax and extraordinary items	-
Equity share capital	0.01
Reserves and surplus	-
Net worth	0.01
Basic earnings per share (INR)	-
Diluted earnings per share (INR)	-
Return on net worth (%)	-
Net asset value per share (INR)	10

Note: The Resulting Company was incorporated on 7th December 2020. Hence, the audited financials for the period 7th December 2020 (incorporation date) to 9th December 2020 has been furnished.

RISK FACTORS

1. The Scheme is subject to the approval of jurisdictional NCLT. If the Scheme does not receive the requisite approval, the objects and benefits mentioned in the Scheme will not be achieved.

2. The equity shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing / trading permission is given by the designated stock exchange, i.e., BSE.

3. The proposed business faces intense competition from unorganized sector and the volatile prices of raw materials. This would pose operational risks for the Company.

4. In the wake of looming currency war on the horizon of global economy, bank interest rates are expected to rise progressively and consequently, margin rates for the business are expected to squeeze.

5. The proposed operations of the Company may be subject to multiple challenges under the present uncertain circumstances arising from COVID-19 pandemic.

DDEV PLASTIKS INDUSTRIES LIMITED
2B, Pretoria Street, Kol-71

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION	
A.	Total number of outstanding litigations against DPIL and amount involved: Nil
B.	Brief details of top 5 material outstanding litigations against DPIL and amount involved: Not Applicable
C.	Regulatory action, if any – disciplinary action taken by SEBI or stock exchanges against the promoters in last 5 financial years including outstanding action, if any: Nil
D.	Brief details of outstanding criminal proceedings against promoters: Not Applicable

ANY OTHER INMPORTANT INFORMAITON AS PER BRLM / DPIL
Nil

DECLARATION BY DPIL
We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines / regulations issued by the Government of India or the guidelines / regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Document is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Document are true and correct.

For and on behalf of **Ddev Plastiks Industries Limited**

Dev Krishna Surana
(Director and Authorized Signatory)

DDEV PLASTIKS INDUSTRIES LIMITED
28, Pretoria Street, Kol-71

DIN: 08357094
Date: 02.06.2021
Place: Kolkata

Kkalpana Industries (India) Limited

January 20, 2021

To,

The Listing Department BSE Limited P.J. Towers, Dalal Street Mumbai - 400 001	The Listing Department Calcutta Stock Exchange Limited 7, Lyons Range, Dalhousie, Kolkata-700001, West Bengal

Sub.: Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations" for the proposed Scheme of Arrangement between Kkalpana Industries (India) Limited "Demerged Company" and Ddev Plastiks Industries Limited "Resulting Company" and their respective Shareholders and Creditors

Ref.: Submission of "Complaints Report" for a period from December 29, 2020 to January 19, 2021 in the format prescribed at Annexure III of the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 ("SEBI circular")

Dear Sir/ Madam,

We refer to our Application under Regulation 37 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 submitted to BSE Limited (BSE) and Calcutta Stock Exchange Limited (CSE) , enclosing all the applicable documents as required under the SEBI circular.

The draft Scheme and the related documents thereon were hosted by your good authority, on BSE website at www.bseindia.com on December 29, 2020, therefore in furtherance to our aforesaid Application, we are hereby submitting herewith the Complaint Report for a period from December 29, 2020 to January 19, 2021 as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017.

It is further requested to kindly take the above on record and issue the necessary "No-Objection" letter with respect to the Scheme of Arrangement filed between the Kkalpana Industries (India) Limited and Ddev Plastiks Industries Limited.

The Complaint Report has been annexed herewith as Annexure - I.

Thanking you,
Yours faithfully
For **Kkalpana Industries (India) Limited**

Tanvi Panday

Tanvi Panday
Company Secretary

Encl. as above

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Tel. : +91-33-2282 3744/45/3671/99, Fax : +91-33-2282 3739, E-mail : kolkata@kkalpana.co.in
Mumbai Office : 106, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053, India
Tel.: +91-22-67021470/71/72, Fax : +91-22-6702 1473 E-mail : mumbai@kkalpana.co.in
www.kkalpanagroup.com
CIN : L19202WB1985PLC039431

Kkalpana

Kkalpana Industries (India) Limited

Annexure - I

Format for Complaints Report:

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	NA
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NA	NA	NA
2.	NA	NA	NA
3.	NA	NA	NA

For **Kkalpana Industries (India) Limited**

Tanvi Panday

Tanvi Panday
Company Secretary

Regd. Office : 2B, Pretoria Street, Kolkata - 700 071
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