

## 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 31<sup>st</sup> March, 2021, 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 2021, 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
<p><b>Inventory- existence and valuation</b></p> <p>Refer to note 12 to the standalone financial statements. The Company is having the Inventories of Rs 22,864.13 lacs as on 31st March 2021. As described in the accounting policies in note 3.12 to the standalone financial statements, inventories are carried at the lower of cost and net realisable value. As a result, the management applies judgement in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory.</p>	<p><b>Audit Procedures Performed</b></p> <p>We have obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions and management assertion regarding existence and ownership by:-</p> <p>Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.</p>

<b>Key Audit Matters</b>	<b>Auditor's Response</b>
<p><b>Revenue Recognition</b></p> <p>Revenue from the sale of goods is recognized at the moment when control has been transferred to the customer and is measured net of trade discounts, rebates and pricing allowances to customers (collectively 'trade spends'). There is a risk that revenue may be overstated because of pressure local management may feel to achieve performance targets. Revenue is also an important element of how the company measures its performance, upon which management is incentivized.</p>	<p>Performing 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).</p> <p>Verifying for a sample of individual products that costs have been correctly recorded.</p> <p>Identified and assessed a sample of aged and obsolete inventory.</p> <p>We also analysed the level of slow-moving inventory and the associated provision.</p> <p>We have reviewed the historical accuracy of inventory provisioning and the level of inventory write-offs during the financial year.</p> <p>Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision.</p> <p>Performing substantive analytical procedures to test the correctness of inventory existence and valuation.</p> <p>Testing the accuracy of inventory reconciliations with the general ledger at period end, including test of reconciling items.</p> <p>The procedures performed gave us a sufficient evidence to conclude about the inventory existence and valuation.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>• We evaluated the design, tested the implementation and operating effectiveness of key internal controls including general IT controls and key IT application controls over recognition of revenue.</li> <li>• We performed substantive testing by selecting samples of revenue transactions recorded during the year by testing the underlying documents which included invoices, good dispatch notes, customer acceptances and shipping documents (as applicable).</li> <li>• We carried out analytical procedures on revenue recognised during the year to identify unusual variances.</li> <li>• We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period.</li> <li>• We tested manual journal entries posted to revenue to identify unusual items.</li> </ul>

**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 any 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 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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**

**S. K. Mukherjee  
(Partner)**

**Mem No : 006601**

**UDIN:- 21006601AAAAHP1843**

**Place: Kolkata**

**Date: 31<sup>st</sup> day of May, 2021**

**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.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted unsecured loans to 1 Companies amounting to Rs. 8 Lakh covered in the register maintained u/s 189 of the Act . Apart from the above, the Company has not given any loans secured or unsecured during the current financial year to companies, firms, limited liability partnership or other parties covered in the register maintained u/s 189 of the Act. In respect of the outstanding loans:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and interest have been regular as per stipulations.
  - (c) There are no amounts that have been overdue for more than 90 days.
- 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 31<sup>st</sup> March 2021 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	167.74	2012-13	CIT(A)
	Income Tax	131.31	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**

**S. K. Mukherjee  
(Partner)**

**Place: Kolkata  
Date: 31<sup>st</sup> day of May, 2021**

**Mem No : 006601  
UDIN:- 21006601AAAHP1843**

**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 31<sup>st</sup> March 2021 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 31<sup>st</sup> March 2021, 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**

**S. K. Mukherjee  
(Partner)**

**Place: Kolkata  
Date: 31<sup>st</sup> day of May, 2021**

**Mem No : 006601  
UDIN:- 21006601AAAAHP1843**

**BALANCE SHEET AS AT 31st MARCH, 2021**

(Rs. In Lacs)

	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>A ASSETS</b>			
<b>1 Non-current Assets</b>			
Property, Plant and Equipment	4	22,668.61	23,432.46
Investment Property	5	1,281.68	1,281.68
Other Intangible Assets	6	12.10	14.42
Right of Use - Lease	7	82.53	-
Financial Assets			
(i) Investments	8	236.27	236.79
(ii) Other Financial Assets	10	81.56	113.85
Other Non-Current Assets	11	114.83	38.39
		<b>24,477.58</b>	<b>25,117.59</b>
<b>2 Current Assets</b>			
Inventories	12	22,864.13	15,228.77
Financial Assets			
(i) Loans	9	8.00	-
(ii) Trade Receivables	13	28,026.13	23,851.92
(iii) Cash & Cash Equivalents	14	774.81	1,511.08
(iv) Other Financial Assets	10	485.28	411.45
Other Current Assets	15	7,471.35	4,464.50
		<b>59,629.70</b>	<b>45,467.72</b>
<b>Total</b>		<b>84,107.28</b>	<b>70,585.31</b>
<b>B EQUITY &amp; LIABILITIES</b>			
<b>1 Equity</b>			
Equity Share Capital	16	1,881.46	1,881.46
Other Equity	17	34,888.44	32,746.50
		<b>36,769.90</b>	<b>34,627.96</b>
<b>2 Non Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	18	2,306.80	3,588.81
(ii) Finance Lease Liability	19	58.58	-
Provisions	20	198.19	208.59
Deferred Tax Liabilities (net)	21	2,547.27	2,398.33
		<b>5,110.84</b>	<b>6,195.73</b>
<b>3 Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	22	8,551.66	4,888.39
(ii) Trade Payables	23		
- Micro & Small Enterprises		621.41	506.75
- Others		31,324.00	20,109.69
(iii) Other Financial Liabilities	24	595.49	3,222.60
Other Current Liabilities	25	399.02	541.99
Provisions	26	222.74	155.06
Current Tax Liabilities (net)	27	512.22	337.14
		<b>42,226.54</b>	<b>29,761.62</b>
<b>Total</b>		<b>84,107.28</b>	<b>70,585.31</b>
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 Kumar Kothari**  
(DIN: 02168932)  
Whole Time Director

S K Mukherjee  
Partner  
Membership No.006601  
Date : 31st May, 2021  
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, 2021

		(Rs. In Lacs)	
	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>I INCOME</b>			
Revenue from Operations	28	154,998.85	176,221.02
Other Income	29	1,534.96	1,370.75
<b>Total Income</b>		<b>156,533.81</b>	<b>177,591.77</b>
<b>II EXPENSES</b>			
Cost of Materials Consumed	30	133,763.49	153,134.87
Changes in Inventories of Finished Goods & Work-in-Progress & Stock-in-Trade	31	639.99	(38.89)
Employee Benefits Expense	32	3,151.21	3,898.66
Finance Costs	33	3,563.98	4,540.74
Depreciation & Amortization Expense	4-7	1,245.04	1,215.25
Other Expenses	34	11,118.10	11,808.53
<b>Total Expenses</b>		<b>153,481.81</b>	<b>174,559.16</b>
<b>III PROFIT BEFORE EXCEPTIONAL ITEMS &amp; TAXATION</b>			
Exceptional items		-	-
<b>IV PROFIT BEFORE TAX</b>			
		<b>3,052.00</b>	<b>3,032.61</b>
Tax expense	35		
Current tax		643.39	680.46
Deferred tax		144.39	(532.67)
Tax for earlier years		22.98	(178.97)
<b>Total Tax expense</b>		<b>810.76</b>	<b>(31.18)</b>
<b>V PROFIT FOR THE YEAR AFTER TAX</b>			
		<b>2,241.24</b>	<b>3,063.79</b>
<b>VI OTHER COMPREHENSIVE INCOME</b>			
	36		
i Items that will not be classified to profit and loss		18.13	(26.78)
ii Income tax relating to items that will not be classified to profit and loss		(4.56)	9.27
<b>Total Other Comprehensive Income For The Year</b>		<b>13.57</b>	<b>(17.51)</b>
<b>VII TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			
		<b>2,254.81</b>	<b>3,046.28</b>
<b>EARNING PER EQUITY SHARE</b>			
(Face value of Rs 2/- each)			
Basic (Rs.)		<b>2.38</b>	<b>3.26</b>
Diluted (Rs.)		<b>2.38</b>	<b>3.26</b>
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

S K Mukherjee  
Partner  
Membership No.006601  
Date : 31st May, 2021  
Place : Kolkata

**Narrindra Suranna**  
(DIN: 00060127)  
Chairman and Managing Director

**Tanvi Panday**  
(Membership No. ACS 31176)  
Company Secretary

For and on behalf of Board of Directors

**Rajesh Kumar  
Kothari**  
(DIN: 02168932)  
Whole Time Director

**Indar Chand Dakalia**  
Chief Financial Officer

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH 2021**

(Rs. In Lacs)

Particulars	STANDALONE	
	2020-21 (Audited)	2019-20 (Audited)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	3,052.00	3,032.62
Adjustment for:		
Depreciation & amortization expense (Including Leasehold amortization of Rs. 10.90 lacs)	1,245.04	1,215.25
Loss/(Profit) on sale of fixed assets	14.03	89.18
Unwinding of Interest on security deposit	(9.65)	(10.89)
Finance cost	3,563.98	4,540.74
Interest income	(31.57)	(88.53)
Interest on Lease Liability	18.13	-
Other comprehensive income	31.50	(26.78)
Provision for Doubtful debts	167.29	-
Bad debts written off	1,124.23	9.16
Notional rent on Security deposit	9.75	7.94
	<b>6,132.73</b>	<b>5,736.07</b>
<b>Operating profit before Working Capital changes</b>	<b>9,184.73</b>	<b>8,768.69</b>
Adjustments for Working Capital changes		
Decrease/(increase) in non current financial assets		
Other financial assets	41.95	6.30
Decrease/(increase) in other non current assets	(86.18)	31.68
Decrease/(increase) in inventories	(7,635.35)	485.60
Decrease/(increase) in current financial assets		
Trade receivables	(5,465.73)	7,169.83
Loans	(8.00)	-
Other financial assets	(73.83)	57.80
Decrease/(increase) in other current assets	(3,006.85)	711.70
Increase/(decrease) in non current provisions	(10.41)	82.62
Increase/(decrease) in current financial liabilities		
Trade payables	11,328.97	(8,386.84)
Other financial liabilities	(883.30)	164.85
Increase/(decrease) in other current liabilities	(142.97)	94.42
Increase/(decrease) in short term provisions	67.70	(5.36)
	<b>(5,874.00)</b>	<b>412.60</b>
<b>Cash generated from operations</b>	<b>3,310.73</b>	<b>9,181.29</b>
(Tax paid) / refund received (net)	(492.64)	(789.10)
<b>Net cash from operating activities</b>	<b>2,818.09</b>	<b>8,392.19</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment, CWIP and Intangible assets	(954.97)	(480.94)
Sale proceeds of Property, Plant and Equipment	472.99	31.32
Interest receipt on investments	31.56	88.52
Increase in investment in Term deposit	-	281.40
Purchase of current investments (net)	(35.88)	-
Sale proceeds of current investments	5.00	-
<b>Net cash generated / (used) from investing activities</b>	<b>(481.30)</b>	<b>(79.70)</b>

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH 2021**

(Rs. In Lacs)

Particulars	STANDALONE	
	2020-21 (Audited)	2019-20 (Audited)
<b>C. CASHFLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowings	(1,523.49)	(1,659.16)
Increase/(decrease) in short term borrowings	1,976.08	(2,089.87)
Payment of Lease Liability	(13.18)	(225.78)
Dividend paid	(112.89)	(45.96)
Finance cost	(3,399.58)	(4,472.71)
<b>Net cash from financing activities</b>	<b>(3,073.06)</b>	<b>(8,493.48)</b>
<b>Net changes in Cash and Bank balances</b>	<b>(736.27)</b>	<b>(180.99)</b>
<b>Net Increase / (-) Decrease in Cash and Bank balances</b>		
Balance at the end of the year	774.81	1,511.08
Balance at the beginning of the year	1,511.08	1,692.07
<b>Net changes in Cash and Bank balances</b>	<b>(736.27)</b>	<b>(180.99)</b>

**For B. Mukherjee & Co.**Chartered Accountants  
Firm Registration No:302096ES K Mukherjee  
Partner  
Membership No.006601  
Date : 31st May, 2021  
Place : Kolkata**Narrindra Suranna****(DIN: 00060127)**  
Chairman and Managing Director**Tanvi Panday**  
**(Membership No. ACS 31176)**  
Company Secretary

For and on behalf of Board of Directors

**Rajesh Kumar**  
**Kothari**  
**(DIN: 02168932)**  
Whole Time Director**Indar Chand Dakalia**  
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021**

(Rs. In Lacs)

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

	As at 31st March, 2021	As at 31st March, 2020
<b>Balance at the year beginning</b>	<b>1,881.46</b>	1,881.46
Changes in equity share capital during the year	-	-
<b>Balance at the year end</b>	<b>1,881.46</b>	1,881.46

**B. OTHER EQUITY (Refer Note No. 17)**

**For the year ended 31st March, 2021**

Particulars	Reserve & Surplus				Other Comprehensive Income Remeasurement of defined benefit plan	Total
	Capital Reserve & Amalgamation Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1st April, 2020	852.96	5,322.45	3,400.00	23,226.34	(55.24)	32,746.50
Add : For the Year	-	-	-	2,241.25	13.57	2,254.82
Less: Equity Dividend for the year 2019-20	-	-	-	(112.89)	-	(112.89)
<b>Balance as at 31st March, 2021</b>	<b>852.96</b>	<b>5,322.45</b>	<b>3,400.00</b>	<b>25,354.70</b>	<b>(41.67)</b>	<b>34,888.44</b>

**For the year ended 31st March, 2020**

Particulars	Reserve & Surplus				Other Comprehensive Income Remeasurement of defined benefit plan	Total
	Capital Reserve & Amalgamation Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1st April, 2019	852.96	5,322.45	3,400.00	20,434.27	(37.73)	29,971.96
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)
<b>Balance as at 31st March, 2020</b>	<b>852.96</b>	<b>5,322.45</b>	<b>3,400.00</b>	<b>23,226.34</b>	<b>(55.24)</b>	<b>32,746.50</b>

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

S K Mukherjee  
Partner  
Membership No.006601  
Date : 31st May, 2021  
Place : Kolkata

**Narrindra Suranna**  
(DIN: 00060127)  
Chairman and Managing Director

**Tanvi Panday**  
(Membership No. ACS 31176)  
Company Secretary

For and on behalf of Board of Directors

**Rajesh Kumar Kothari**  
(DIN: 02168932)  
Whole Time Director

**Indar Chand Dakalia**  
Chief Financial Officer

## Notes to the financial statements for the year ended 31st March, 2021

### 1. COMPANY INFORMATION

Kkalpana Industries (India) Limited ("the Company") was incorporated in India on 03rd of September 1985. The Company is domiciled in India whose shares are listed on the Bombay Stock Exchange (BSE) and Calcutta Stock Exchange (CSE). The registered office is located at 2B Pretoria Street, Kolkata. The Company is engaged in the manufacturing of Plastic Compounds Exporters.

The financial statements of the Company for the year ended 31st March, 2021 were authorised for issue in accordance with a resolution of the Board of Directors as on 31.05.2021

### 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.

**Notes to the Financial Statements for the year ended 31st March, 2021**

(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.



## Notes to the Financial Statements for the year ended 31st March, 2021

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 Company Acts in the capacity of an agent rather than as the principal 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".

**Notes to the Financial Statements for the year ended 31st March, 2021**

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.

<b>Particulars</b>	<b>Years</b>
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.

## Notes to the Financial Statements for the year ended 31st March, 2021

### 3.6 Lease

#### The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings, machineries 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, 2021**

**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.

## Notes to the Financial Statements for the year ended 31st March, 2021

### (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 irrevocable 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 entirety 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)

**Notes to the Financial Statements for the year ended 31st March, 2021**

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

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

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

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

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

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

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

**B) Financial liabilities**

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

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

Subsequent measurement

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

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

(b) Loans and borrowings

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

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

## Notes to the Financial Statements for the year ended 31st March, 2021

### (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 initially 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, conversely 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.

**Notes to the Financial Statements for the year ended 31st March, 2021**

**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 price 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.



## Notes to the Financial Statements for the year ended 31st March, 2021

### Post Employment 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 Provident Fund towards which the Company has no further obligation beyond its monthly contribution. Superannuation benefit scheme is not existing 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 reviewed 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.

**Notes to the Financial Statements for the year ended 31st March, 2021**

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.

**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,

## Notes to the Financial Statements for the year ended 31st March, 2021

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 01-04-2020	Addition during the year	Sales/ Disposals	As at 31-03-2021	As at 01-04-2020	For the Period	Sales/ Disposals	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
<b>TANGIBLE ASSETS:</b>										
Free hold land	1,608.30	-	-	1,608.30	-	-	-	-	1,608.30	1,608.30
Factory Building	7,396.07	484.07	530.01	7,350.13	1,671.81	226.66	175.94	1,722.53	5,627.60	5,724.26
Plant & Machinery	16,938.30	347.23	172.97	17,112.56	2,634.56	683.63	56.39	3,261.80	13,850.76	14,303.74
Furniture & Fixture	260.42	2.58	-	263.00	100.04	24.36	-	124.40	138.60	160.38
Motor Car	221.14	6.41	70.73	156.82	49.41	30.15	60.22	19.34	137.47	171.73
Scooter, Moped & Cycle	1.66	-	-	1.66	0.48	0.17	-	0.65	1.01	1.18
Laboratory Equipment	818.95	10.25	4.33	824.88	261.50	79.44	1.46	339.48	485.40	557.45
Electrical Installation	1,470.33	79.43	12.50	1,537.26	698.83	153.94	9.51	843.27	693.99	771.49
Office Equipment	104.75	13.45	-	118.20	44.16	18.27	-	62.43	55.78	60.60
Air Conditioner	70.84	-	-	70.84	22.92	3.95	-	26.87	43.97	47.91
Computer	62.12	11.54	-	73.66	36.69	11.25	-	47.94	25.73	25.43
<b>Total</b>	<b>28,952.88</b>	<b>954.97</b>	<b>790.54</b>	<b>29,117.31</b>	<b>5,520.41</b>	<b>1,231.82</b>	<b>303.52</b>	<b>6,448.71</b>	<b>22,668.61</b>	<b>23,432.46</b>
Previous year	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

**Notes to the Financial Statements for the year ended 31st March, 2021**
**05. Investment Property**
**(Rs. In lacs)**

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2020	Addition during the year	Sales/ Disposals	As at 31-03-2021	As at 01-04-2020	For the Period	Sales/ Disposals	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Free Hold Land	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68
<b>Total</b>	<b>1,281.68</b>	-	-	<b>1,281.68</b>	-	-	-	-	<b>1,281.68</b>	<b>1,281.68</b>
Previous year	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68

**06. Other Intangible Assets**

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2020	Addition during the year	Sales/ Disposals	As at 31-03-2021	As at 01-04-2020	For the Period	Sales/ Disposals	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Technical Knowhow	0.20	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	228.12	-	-	228.12	213.91	2.32	-	216.23	11.90	14.22
<b>Total</b>	<b>228.33</b>	-	-	<b>228.33</b>	<b>213.91</b>	<b>2.32</b>	-	<b>216.23</b>	<b>12.10</b>	<b>14.42</b>
Previous year	228.33	-	-	228.33	209.34	4.56	-	213.91	14.42	18.98

**07. Right of Use - Lease**

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2020	Addition during the year	Sales/ Disposals	As at 31-03-2021	As at 01-04-2020	For the Period	Sales/ Disposals	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Plant & Machinery	-	93.43	-	93.43	-	10.90	-	10.90	82.53	-
<b>Total</b>	-	<b>93.43</b>	-	<b>93.43</b>	-	<b>10.90</b>	-	<b>10.90</b>	<b>82.53</b>	-
Previous year	-	-	-	-	-	-	-	-	-	-

**Other Notes to Note No 04 to 07**

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

A1. Refer Note No. 46 for information on Property, Plant and Equipment and Other 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, 2021 is Rs.57.87 lacs (31st March, 2020: Rs.388.28 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 reclassified 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 nature, 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, 2021

(Rs. In lacs)

8 FINANCIAL ASSETS:- NON-CURRENT INVESTMENTS	Face Value Rs.	No. of Shares / Units		Amount	
		As at 31st March 2021	As at 31st March, 2020	As at 31st March 2021	As at 31st March, 2020
<b>Equity Instruments - Fully paid up</b>					
<u>Unquoted</u>					
(a) Subsidiary-At Cost					
(i) Plastic Processors and Exporters Pvt Ltd.	10	-	50,000	-	36.50
(ii) Ddev Plastiks Industries Ltd.	10	10,000	-	1.00	-
(iii) Kkalpana Plastic Reprocess Industries Middleeast FZE	1000 AED	175	-	34.98	-
(b) Others-At Fair Value Through Profit and Loss					
(i) Panchawati Holiday Resorts Ltd.	10	9,400	9,400	-	-
<u>Quoted</u>					
(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	10	1	1	-	-
(ii) Nicco Corporation Ltd.	2	826,194	826,194	-	-
<b>Total Investments</b>				<b>236.27</b>	<b>236.79</b>
Less: Provision for diminution in the value of Investments				-	-
<b>Net Investments</b>				<b>236.27</b>	<b>236.79</b>

**Notes:**

Aggregate carrying amount of Quoted Investments	200.29	200.29
Aggregate market value of Quoted Investments	65.70	44.06
Aggregate amount of Unquoted Investments	35.98	36.50
Aggregate amount of Impairment in the value of Investments	-	-

## 9 FINANCIAL ASSETS - LOANS

	Non Current		Current	
	As at 31st March 2021	As at 31st March, 2020	As at 31st March 2021	As at 31st March, 2020
(a) Unsecured, considered good Loan to Related Party	-	-	8.00	-
<b>Total</b>	-	-	<b>8.00</b>	-

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

## 10. FINANCIAL ASSETS - OTHERS

	Non Current		Current	
	As at 31st March 2021	As at 31st March, 2020	As at 31st March 2021	As at 31st March, 2020
<b>Unsecured, considered goodw</b>				
(a) Security Deposit	81.56	113.85	210.69	154.18
(b) Derivative Instruments				
Foreign Exchange Forward Contracts	-	-	21.17	19.88
Foreign Currency Options	-	-	1.63	-
(c) Others - Advances Recoverable from				
Employees	-	-	127.21	117.37
Others	-	-	92.78	75.03
(d) Interest Accrued	-	-	31.80	44.99
<b>Total</b>	<b>81.56</b>	<b>113.85</b>	<b>485.28</b>	<b>411.45</b>

**Notes to the Financial Statements for the year ended 31st March, 2021**
**(Rs. In lacs)**
**11. OTHER NON CURRENT ASSETS**

	<b>As at 31st March 2021</b>	As at 31st March, 2020
(a) Capital Advances		
(i) Unsecured - considered good	<b>106.32</b>	25.81
(b) Prepaid Rent	<b>8.51</b>	12.58
<b>Total</b>	<b>114.83</b>	<b>38.39</b>

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.

**12. INVENTORIES**

	<b>As at 31st March 2021</b>	As at 31st March, 2020
(As taken valued and certified by the management) At Cost or NRV whichever is lower		
<b>(a) Raw materials</b>		
- In Stock	<b>19,182.93</b>	11,167.66
<b>(b) Finished goods</b>		
- In Stock	<b>3,067.83</b>	3,707.82
<b>(c) Stores and spares- at Cost</b>		
- In Stock	<b>613.37</b>	353.29
<b>Total</b>	<b>22,864.13</b>	<b>15,228.77</b>

- During the year ended 31st March 2021 and year ended 31st March, 2020 no amount was recognised as an expense for the inventories carried at net realisable value.
- Refer Note No - 49 for details of Carrying amount of Inventories pledged with banks against Working Capital loans.
- Stores and Spares does not include machinery spares which can be used only in connection with an item of Fixed Assets.

**13. TRADE RECEIVABLES**

	<b>As at 31st March 2021</b>	As at 31st March, 2020
(a) Unsecured, considered good		
(i) Others	<b>28,193.42</b>	23,518.40
(ii) Related Parties	-	965.38
	<b>28,193.42</b>	<b>24,483.78</b>
Less: Allowance for bad and doubtful debts	<b>167.29</b>	631.86
<b>Total (Net of Provision)</b>	<b>28,026.13</b>	<b>23,851.92</b>

- 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 significantly low. The Company has used a simplified approach based on a 12 months ECL. A provision matrix has been prepared based on historical credit loss experience adjusted as appropriate 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.

## Notes to the Financial Statements for the year ended 31st March, 2021

(Rs. In lacs)

	As at 31st March 2021	As at 31st March, 2020
<b>14. CASH &amp; CASH EQUIVALENTS</b>		
(a) Balance with banks:		
(i) In Current Accounts	128.78	82.45
(ii) In EEFC Account	108.95	395.34
(ii) In Deposit with Original Maturity of less than 3 months	1.89	995.33
(b) Cash in hand (As certified by the management)	27.44	21.74
(c) Other Bank Balance		
(i) Unpaid Dividend account	12.52	16.20
(ii) Deposits with more than 3 months initial maturity	495.23	-
<b>Total</b>	<b>774.81</b>	<b>1,511.08</b>
<b>15. OTHER CURRENT ASSETS</b>		
(a) Other Advances		
Unsecured, considered good		
(i) Balances with government departments	6,995.83	3,744.59
(ii) Advance to Suppliers	132.69	190.94
(b) Prepaid Expenses	342.51	528.97
(c) Prepaid Rent	0.32	-
<b>Total (Net of Provision)</b>	<b>7,471.35</b>	<b>4,464.50</b>

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.

	As at 31st March 2021	As at 31st March, 2020
<b>16. EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity )</b>		
<b>Authorised Shares</b>		
153,000,000 (Previous Year: 153,000,000) Shares of Rs. 2 each	3,060.00	3,060.00
	<b>3,060.00</b>	<b>3,060.00</b>
<b>Issued, Subscribed and Paid Up</b>		
940,72,930 (Previous Year: 940,72,930) Equity Shares of Rs.2 each	1,881.46	1,881.46
	<b>1,881.46</b>	<b>1,881.46</b>

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	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 proportion 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 2021		As at 31st March, 2020	
		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

**Notes to the Financial Statements for the year ended 31st March, 2021**

(d) Aggregate number of bonus shares issued, shares allotted 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

**17. 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 provisions of the Act.

	(Rs. In lacs)	
	As at 31st March 2021	As at 31st March, 2020
As per Last Financial Statement	5,322.45	5,322.45
Add: During the year	-	-
	<b>5,322.45</b>	<b>5,322.45</b>

**(b) Capital Reserve and Amalgamation Reserve**

As per Last Financial Statement  
Add: During the year

	As at 31st March 2021	As at 31st March, 2020
As per Last Financial Statement	852.96	852.96
Add: During the year	-	-
	<b>852.96</b>	<b>852.96</b>

**(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 2021	As at 31st March, 2020
As per Last Financial Statement	3,400.00	3,400.00
Add: During the year	-	-
	<b>3,400.00</b>	<b>3,400.00</b>

**(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 2021	As at 31st March, 2020
As per Last Financial Statement	23,226.34	20,434.27
Less: Equity Dividend	(112.89)	(225.78)
Less: Corporate Dividend Tax	-	(45.96)
Add: During the year	2,241.25	3,063.80
	<b>25,354.70</b>	<b>23,226.34</b>

**(e) Other Comprehensive Income**

As per Last Financial Statement  
Add: During the year

	As at 31st March 2021	As at 31st March, 2020
As per Last Financial Statement	(55.24)	(37.73)
Add: During the year	13.57	(17.51)
	<b>(41.67)</b>	<b>(55.24)</b>

**Total Reserves (a+b+c+d+e)**

	<b>34,888.44</b>	<b>32,746.50</b>
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## Notes to the Financial Statements for the year ended 31st March, 2021

(Rs. In lacs)

## 18. LONG TERM BORROWINGS

	Non Current		Current *	
	As at 31st March 2021	As at 31st March, 2020	As at 31st March 2021	As at 31st March, 2020
<b>Secured</b>				
<b>(a) Term Loans</b>				
<b>I From Banks</b>				
(i) Rupee Loan	-	1,366.04	-	1,669.57
<b>II From Others</b>				
(i) From Banks - Vehicle Loan	10.12	27.56	17.16	34.78
<b>Total (Net) (a)</b>	<b>10.12</b>	<b>1,393.61</b>	<b>17.16</b>	<b>1,704.35</b>
<b>Unsecured</b>				
<b>(b) Long term loan</b>				
-Related Party	2,296.68	2,195.21	-	-
<b>Total (Net) (b)</b>	<b>2,296.68</b>	<b>2,195.21</b>	<b>-</b>	<b>-</b>
<b>Grand Total (Net) (a+b)</b>	<b>2,306.80</b>	<b>3,588.81</b>	<b>17.16</b>	<b>1,704.35</b>

\* Refer Note No.24

**Details of terms of repayment of long term borrowings**

Long term borrowings	Terms of Repayment	Maturity Date	Interest Rate	Loan Taken Date
<b>Secured</b>				
<b>a) Term Loans</b>				
<b>I From Banks</b>				
(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 disbursement. Repayments to start from 31st March 2018 till 31st December 2022.	31st Dec 2022	9.75%	06th Jan 2017

Note - Loan no. (i) & (ii) has been repaid in full during the year as per the repayment schedule, however loan no. (iii) & (iv) has been prepaid as on 31st March, 2021.

**II From Others**

(i) Vehicle Loan (secured by hypothecation of motor car)	60 equal monthly instalment			
<b>(b) Long term loan/deposits</b>				
<b>RELATED PARTY</b>				
Bbigplas Poly Pvt. Ltd.		Repayable on Demand after 30th March 2027	4% till 30th March 2022 & 11% from 31st March 2022 to 30th March 2027	

**Notes to the Financial Statements for the year ended 31st March, 2021**

	(Rs. In lacs)	
	As at 31st March 2021	As at 31st March, 2020
<b>19 FINANCE LEASE LIABILITY</b>		
(i) Finance Lease Liability	58.58	-
	<b>58.58</b>	<b>-</b>
<b>20 LONG TERM PROVISIONS</b>		
(a) <b>Employee benefits</b>		
(i) Gratuity (Refer Note No. 40(b))	198.19	208.59
<b>Total</b>	<b>198.19</b>	<b>208.59</b>
<b>21. DEFERRED TAX LIABILITIES (NET)</b>		
(a) <b>Liabilities :</b>		
Depreciation and ammortization expenses	2,535.25	2,427.78
Items under financial assets and financial liabilities giving temporary differences	107.03	171.20
<b>Total (a)</b>	<b>2,642.28</b>	<b>2,598.98</b>
(b) <b>Assets :</b>		
Items under financial assets and financial liabilities giving temporary differences	52.91	200.65
Provision for doubtful debts & obsolescence	42.10	-
<b>Total (b)</b>	<b>95.01</b>	<b>200.65</b>
<b>Net Liability (a-b)</b>	<b>2,547.27</b>	<b>2,398.33</b>
<b>Reconciliation of Deferred Tax Assets/ Liabilites (Net):</b>		
Opening balance as at the beginning of the Year	2,398.33	2,910.24
Tax (benefit) / expense during the period recognised in profit or loss	144.39	(532.67)
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	4.56	(9.27)
Closing balance as at the end of the Year	<b>2,547.27</b>	<b>2,398.33</b>
<b>22. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
(a) Loans repayable on demand		
Cash credits from bank *	1,382.66	999.15
Working Capital Demand Loan from Bank	7,169.00	1,900.26
(b) Other Loans and advances		
Buyer's credit from bank *	-	1,988.98
<b>Total</b>	<b>8,551.66</b>	<b>4,888.39</b>

\* 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 hypothecation over entire current assets, stock and trade receivables of the company both present and future and lien on fixed deposit of INR 1.35 crores and 2nd pari passu charge by way of equitable mortgage over all present and future movable and immovable properties except immovable assets of Dankuni & Falta.

**Notes to the Financial Statements for the year ended 31st March, 2021**  
(Rs. In lacs)

**23. TRADE PAYABLES**

	As at 31st March 2021	As at 31st March, 2020
(a) Micro & Small Enterprises	621.41	506.75
(b) Others		
Acceptances secured *	25,545.88	17,156.69
Sundry Creditors for goods	5,260.64	2,248.22
Sundry Creditors for expenses	517.49	704.78
<b>Total</b>	<b>31,945.41</b>	<b>20,616.43</b>

\* 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, 2021 – Rs 0.83 lacs.

**24. CURRENT FINANCIAL LIABILITIES-OTHER**

	As at 31st March 2021	As at 31st March, 2020
(a) Current maturities of long-term debts (Refer Note No.18 )	17.16	1,704.35
(b) Interest payable on Unsecured Loan	-	74.10
(c) Interest accrued but not due on borrowings	31.51	34.86
(d) Unpaid dividends #	12.52	16.20
(e) Finance Lease Liability	20.82	-
(f) Others		
(i) Creditors for Capital Goods	117.31	132.73
(ii) Other Liability	396.17	1,260.36
<b>Total</b>	<b>595.49</b>	<b>3,222.60</b>

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

**25. OTHER CURRENT LIABILITIES**

	As at 31st March 2021	As at 31st March, 2020
(a) Advance payments from customers	324.93	481.32
(b) Other payables		
(i) Statutory dues	74.09	60.67
<b>Total</b>	<b>399.02</b>	<b>541.99</b>

**26. SHORT TERM PROVISIONS**

	As at 31st March 2021	As at 31st March, 2020
(a) Employee benefits		
Leave encashment (unfunded)	147.77	117.16
Gratuity	74.97	37.90
<b>Total</b>	<b>222.74</b>	<b>155.06</b>

**27. CURRENT TAX LIABILITIES**

	As at 31st March 2021	As at 31st March, 2020
Income Tax (Net of Payments)	512.22	337.14
<b>Total</b>	<b>512.22</b>	<b>337.14</b>

**Notes to the Financial Statements for the year ended 31st March, 2021**
**28. REVENUE FROM OPERATIONS**
**(a) Sale of Products**

	(Rs. In lacs)	
	For the Year 2020-2021	For the Year 2019-20
(i) Polyethylene	105,795.68	115,668.21
(ii) Poly Vinyl Chloride	36,088.98	47,639.70
(iii) Others	13,114.19	12,913.11
<b>Total</b>	<b>154,998.85</b>	<b>176,221.02</b>

**29. OTHER INCOME**

	For the Year 2020-2021	For the Year 2019-20
(a) Interest income	31.57	88.53
(b) Exchange difference other than considered as finance cost (net)	789.56	702.08
(c) Export Incentive	433.55	139.80
(d) Unwinding of Interest on security deposit	9.65	10.89
(e) Fair Value gain or (losses) on derivatives	22.80	19.88
(f) Insurance Claim Received	49.06	58.89
(g) Other Miscellaneous Income	198.77	350.68
<b>Total</b>	<b>1,534.96</b>	<b>1,370.75</b>

**30. COST OF MATERIALS CONSUMED**

	For the Year 2020-2021	For the Year 2019-20
Inventory at the beginning of the year	11,167.66	11,715.42
Add: Purchases during the year	141,778.75	152,587.11
Less: Raw Material at the end of the Year	19,182.93	11,167.66
<b>Total Cost of Material Consumed</b>	<b>133,763.49</b>	<b>153,134.87</b>

Details of Raw Material Consumed

LLDPE/ LDPE	78,122.16	80,575.50
PVC Resin	23,322.13	33,940.11
Plastic Scrap	251.61	4,359.69
Other items	32,067.58	34,259.57
	<b>133,763.49</b>	<b>153,134.87</b>

**31. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE**

	For the Year 2020-2021	For the Year 2019-20
(a) Stocks at the beginning of the year Finished goods	3,707.82	3,668.93
(b) Less: Stocks at the end of the year Finished goods	3,067.83	3,707.82
<b>Total</b>	<b>639.99</b>	<b>(38.89)</b>

**32. EMPLOYEE BENEFITS EXPENSE**

	For the Year 2020-2021	For the Year 2019-20
(a) Salaries, Wages, Bonus and Gratuity	3,003.80	3,723.74
(b) Contribution to Provident and other funds	68.69	73.67
(c) Workmen and staff welfare expenses	78.72	101.26
<b>Total</b>	<b>3,151.21</b>	<b>3,898.66</b>

## Notes to the Financial Statements for the year ended 31st March, 2021

(Rs. In lacs)

33. FINANCE COSTS	For the Year 2020-2021	For the Year 2019-20
(a) Interest expense		
(i) To Banks	2,618.24	3,312.94
(ii) To Others	114.00	114.00
(b) Other borrowing costs	589.88	895.69
(c) Unwinding of Interest	241.86	218.11
<b>Total</b>	<b>3,563.98</b>	<b>4,540.74</b>

34. OTHER EXPENSES	For the Year 2020-2021	For the Year 2019-20
(a) Consumption of Stores and Spare Parts	124.94	304.84
(b) Power & Fuel	2,554.45	3,052.06
(c) Rent (Refer Note No. 54)	621.53	643.33
(d) Repair & Maintenance - Building	189.60	165.45
(e) Repair & Maintenance - Machinery	210.22	343.22
(f) Repair & Maintenance - Others	161.91	180.49
(g) Insurance Charges	395.51	324.66
(h) Rates & Taxes	67.28	43.41
(i) Loss on sale of investment in equity shares subsidiary	31.50	-
(j) Payments to Auditors (Refer Note (i) below)	4.74	6.25
(k) Directors' Fees	3.80	4.60
(l) Bad debts / Advances Written off	1,124.23	9.16
(m) Loss on sale of fixed assets	14.03	89.18
(n) Selling & Distribution Expenses	4,350.99	5,130.49
(o) Security Charges	116.46	146.37
(p) Professional & Consultancy Charges	243.51	191.64
(q) Provision for doubtful debts	167.29	-
(r) CSR expenses (Refer Note No. 39)	96.16	50.00
(s) Miscellaneous expenses	639.95	1,123.38
<b>Total</b>	<b>11,118.10</b>	<b>11,808.53</b>

Refer Note :- 1

**Auditors' remuneration and expenses**

Audit fees	3.10	3.10
Tax audit fees	0.65	0.65
Fees for other services	0.99	2.50
	<b>4.74</b>	<b>6.25</b>

35 Income Tax	For the Year 2020-2021	For the Year 2019-20
<b>I Income tax related to items charged or credited directly to profit or loss during the year:</b>		
<b>(a) Statement of profit and loss</b>		
(i) Current Income Tax	643.39	680.46
(ii) Deferred Tax expense/ (benefit)	144.39	(532.67)
(iii) Tax for earlier years	22.98	(178.97)
	<b>810.76</b>	<b>(31.18)</b>
<b>(b) Other Comprehensive Income</b>		
(i) Deferred Tax related to items recognised in OCI during the year:		
- Net expense/(benefit) on remeasurements of defined benefit plans	4.56	(9.27)
	<b>4.56</b>	<b>(9.27)</b>
<b>Total (a+b)</b>	<b>815.32</b>	<b>(40.45)</b>

**Notes to the Financial Statements for the year ended 31st March, 2021**

	(Rs. In lacs)	
	For the Year 2020-2021	For the Year 2019-20
<b>II Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2021 and 31st March, 2020:</b>		
Accounting profit before income tax as per Ind AS	3,052.00	3,032.62
At Income tax rate of 25.168% (31st March, 2020: 25.168%)	768.13	763.25
Tax effect of items that are not deductible for tax purpose	34.09	20.12
MAT Credit written off	-	214.46
Change in Rate Impact *	-	(882.57)
Tax for Earlier Years	22.98	(178.97)
Others	(9.87)	29.59
Tax effect of deductions under Chapter VIA of Income Tax Act, 1961	-	(6.33)
At the effective income tax rate	<u>815.32</u>	<u>(40.45)</u>
Income tax expense reported in the statement of profit and loss	<u>815.32</u>	<u>(40.45)</u>
Difference	-	-
	<b>For the Year 2020-2021</b>	<b>For the Year 2019-20</b>
<b>36. Other Comprehensive Income</b>		
i Items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans	18.13	(26.78)
ii Income tax relating to items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans	(4.56)	9.27
<b>Total</b>	<u>13.57</u>	<u>(17.51)</u>
<b>37 Contingent liabilities &amp; Commitments</b>	(Rs. in lacs.)	
<b>A Not Provided for:-</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
(a) Claims against the Company not acknowledged as debts		
- Demand raised by following authorities in dispute:		
(i) Income tax matters	489.34	338.77
<b>B Bank Gurantee</b>	823.12	772.83
<b>C Capital Commitments</b>		
Estimated Value of contracts in Capital account remaining to be executed and not provided for (Net of advances)	57.87	388.28
<b>D Other Commitments</b>		
Letter of Credit	2,214.80	2,151.90
<b>38 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013</b>		
<b>A. Loan Given</b>		
(i) Subsidiary		
Ddev Plastiks Industries Ltd.	8.00	-
<b>B. Investment Made</b>		
There are no investments by the company other than those stated under Note No. 8 in the financial statements.		
<b>C. Securities Given</b>		
There is no security given during the year.		

## Notes to the Financial Statements for the year ended 31st March, 2021

## 39 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. 70.96 lacs (PY Rs. 74.26 lacs).  
 (b) Amount unspent as at 31.3.2021 Rs. Nil (P.Y 31.3.2020 Rs. 24.26 lacs)  
 (c) Amount spent during the year 2020-21 are shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 34):

<u>Sl. No.</u>	<u>Particulars</u>	<b>(Rs. In lacs)</b>	
		<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
(i)	Spent during the year	96.16	50.00
(ii)	Yet to Spend	-	24.26
	<b>Total</b>	<b>96.16</b>	<b>74.26</b>

## 40 DISCLOSURES AS REQUIRED BY IND AS 19, EMPLOYEE BENEFITS

## (a) Defined contribution plans:

	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
Contribution to defined contribution plan, recognised as expense for the year as under:		
(i) Employer's contribution to Government Provident Fund, Pension Fund & ESI	68.69	73.67
Total	68.69	73.67

## (b) Defined benefit plan:

**Gratuity**

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Group Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India, is provided for as assets/ (liability) in the books. Actuarial gains/ (losses) for defined benefit plans are recognised in full and are immediately taken to the statement of profit and loss and Other Comprehensive Income accordingly as per Actuarial 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.

	<b>Gratuity (Funded)</b>	
	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>I Following information are based on report of actuary for employee benefit expenses</b>		
(A) Change in present value of the obligation during the year		
(1) Present value of obligation at year beginning	381.36	293.63
(2) Current service cost	43.76	43.87
(3) Interest cost	26.70	22.61
(4) Benefits paid	(1.76)	(3.04)
(5) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
(6) Actuarial (gain) / loss arising from changes in financial assumptions	3.42	22.32
(7) Actuarial (gain) / loss arising from changes in experience adjustments	(24.14)	1.96
(8) Present value of obligation at year end	429.33	381.36

**Notes to the Financial Statements for the year ended 31st March, 2021**

	(Rs. In lacs)	
	As at 31st March, 2021	As at 31st March, 2020
(B) Change in fair value of plan assets during the year		
(1) Fair value of plan assets at year beginning	135.47	130.35
(2) Interest income on plan assets	9.95	9.95
(3) Expected return on plan assets other than interest income	(2.59)	(2.49)
(4) Contribution made by the Employer *	15.10	0.70
(5) Benefits paid	(1.76)	(3.04)
(6) Fair value of plan assets at year end	<u>156.17</u>	<u>135.47</u>
(C) Reconciliation of obligation and fair value of assets		
(1) Present value of the obligation at year end	429.33	381.36
(2) Fair value of plan assets at year end	156.17	135.47
(3) Funded status [surplus / (deficit)]	<u>(273.16)</u>	<u>(245.89)</u>
(D) Expense recognised in the Statement of Profit and Loss		
(1) Current service cost	43.76	43.87
(2) Interest cost	26.70	22.61
(3) Interest income on plan assets	(9.95)	(9.95)
<b>Net cost recognised in Profit or Loss</b>	<u>60.50</u>	<u>56.53</u>
(E) Recognised in Other Comprehensive Income		
(1) Expected return on plan assets other than interest income	2.59	2.49
(2) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
(3) Actuarial (gain) / loss arising from changes in financial assumptions	3.42	22.32
(4) Actuarial (gain) / loss arising from changes in experience adjustments	(24.14)	1.96
<b>Net (gain)/ loss recognised in Other Comprehensive Income</b>	<u>(18.13)</u>	<u>26.78</u>
(F) Net Defined benefit liability/(Asset) Reconciliation		
(1) Net Defined benefit liability/(Asset) at the beginning of the year	245.89	163.28
(2) Defined benefit cost included in P/L	60.50	56.53
(3) Total remeasurement included in OCI	(18.13)	26.78
(4) Employers contribution*	(15.10)	(0.70)
<b>Net Defined benefit liability/(Asset) at the end of the year</b>	<u>273.16</u>	<u>245.89</u>
<b>II Maturity profile of defined benefit obligations:</b>		
Year 1	74.97	37.90
Year 2	23.26	47.11
Year 3	20.55	23.61
Year 4	60.11	18.85
Year 5	29.47	57.35
Year 6	32.72	22.35
Year 7	25.11	31.87
Year 8	35.24	22.83
Year 9	30.82	39.98
Year 10	32.86	21.43
Above 10 years	NA	475.50
<b>Total expected payments</b>	<u>365.10</u>	<u>798.77</u>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.01 Years (31st March,2020: 5.19 years).

The best estimate contribution for the company during the next year would be Rs 63.90 lacs. (31st March,2020: Rs. 60.99 lacs).

Amount payable upon discontinuance of all employment is INR 409.77 lacs. (31st March,2020: Rs. 361.56lacs).



## Notes to the Financial Statements for the year ended 31st March, 2021

(Rs. In lacs)

III Experience Adjustments on Present Value of DBO and Plan Assets	As at 31st March, 2021	As at 31st March, 2020
(Gain)/Loss on Plan Liabilities	(24.14)	1.96
% of Opening Plan Liabilities	-6.33%	0.67%
(Gain)/Loss on Plan Assets	2.59	2.49
% of Opening Plan Assets	1.91%	1.91%
<b>IV Quantitative sensitivity analysis for significant assumptions considered for defined benefit obligation (Gratuity):</b>		
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, 2021	As at 31st March, 2020
Defined Benefit Obligation (Base)	429.33	381.36
(1) One percentage increase in discount rate	397.19	352.00
(2) One percentage decrease in discount rate	466.61	415.44
(3) One percentage increase in rate of salary escalation	465.23	414.79
(4) One percentage decrease in rate of salary escalation	397.35	351.71
(5) One percentage increase in rate of withdrawal rate	431.44	383.16
(6) One percentage decrease in rate of withdrawal rate	426.85	379.21
	As at 31st March, 2021	As at 31st March, 2020
<b>V Actuarial Assumptions</b>		
(1) Discount rate	6.90%	7.00%
(2) Mortality Rate	IALM (2012-14) Table Ultimate	
(3) Salary Escalation - First 5 years	6% p.a	6% p.a
(4) Salary Escalation - After 5 years	6% p.a	6% p.a
(5) Expected Rate of Return on Plan Assets	6.90%	7.00%
(6) Disability Rate	5% of Mortality Rate	5% of Mortality Rate
(7) Retirement Age	60 years	60 years
(8) Average Future Service	19.88	20.61
(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%
<b>VI Weighted average Asset allocation ( as percentage of total plan assets )</b>		
(1) Equities	-	-
(2) Bonds	-	-
(3) Gilts	-	-
(4) Insurance Policies	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Notes to the Financial Statements for the year ended 31st March, 2021**

**41 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)	
		As at 31st March, 2021	As at 31st March, 2020
<b>(c) Geographical Information</b>			
(i)	<b>Segment revenue by location of Customers:</b>		
	India	<b>120,043.14</b>	149,497.31
	Overseas	<b>34,955.71</b>	26,723.71
	<b>Total</b>	<b>154,998.85</b>	<b>176,221.02</b>
(ii)	<b>Segment Non-current Asset by location</b>		
	India	<b>24,477.57</b>	25,117.60
	Overseas	-	-
	<b>Total</b>	<b>24,477.57</b>	<b>25,117.60</b>
(iii)	<b>Segment Capital Expenditure by location</b>		
	<u>India</u>		
	East	<b>7,408.88</b>	7,273.46
	West	<b>16,618.09</b>	17,426.86
	North	<b>17.95</b>	28.24
	<u>Overseas</u>	-	-
	<b>Total</b>	<b>24,044.92</b>	<b>24,728.56</b>

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

(e) Product wise revenue from external customers has been detailed in Note No 28.

(f) Revenue from top four customers is Rs. 2,08,59.84 lacs (P.Y Rs. 2,06,19.28 lacs from three customers) which is more than 10% of the total revenue of the Company

**42 DISCLOSURE ON RELATED PARTY TRANSACTIONS**

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

<u>(i) Name of the Related Party</u>	<u>Relationship with the Company</u>
Mr. Narrindra Suranna	CEO, Chairman and Managing Director and Promoter (KMP)
Mr. Rajesh Kumar 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 & Whole Time Director (KMP)

**Notes to the Financial Statements for the year ended 31st March, 2021**

(ii) <b>Relative of Key Management Personnel (KMP) of the Company</b>	
<b>Name of the Relative</b>	<b>Relationship with KMP</b>
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) Ddev Plastiks Industries Limited	Subsidiary
(v) Kkalpana Plastic Reprocess Industries Middleeast FZE	Foreign Subsidiary
(vi) Plastic Processor and Exporters Pvt Ltd.	Subsidiary
(vii) Kkalpana Plasticks Limited	Associate

**Notes:-**

- (a) M/s Plastic Processors and Exporter Pvt Ltd. has ceased to be the Subsidiary of the Company w.e.f. 17.12.2020 and is the subsidiary of the Holding Company.
- (b) Ddev Plastiks Industries Limited was incorporated on 07.12.2020 as Wholly Owned Subsidiary of the Company.
- (c) Kkalpana Plastic Reprocess Industries Middleeast FZE is the Wholly Owned Foreign Subsidiary of the Company.

**(B) Disclosure of transactions with Related Parties during the year ended 31.03.2021**

(Rs. In lacs)

<b>Nature of transactions</b>	<b>Ref. to</b>	<b>As at</b>	<b>As at</b>
<b>Remuneration to KMP</b>	<b>Note (A)</b>	<b>31st</b>	<b>31st</b>
	<b>above</b>	<b>March,</b>	<b>March,</b>
		<b>2021</b>	<b>2020</b>
Mr Narrindra Suranna**	(i)	44.00	77.00
Mr Dev Krishna Surana	(i)	20.68	14.57
Mr Rajesh Kumar Kothari	(i)	40.00	40.00
Mr P.R. Mukherjee*	(i)	4.89	19.00
Mr I.C. Dakalia	(i)	24.41	25.02
Ms Tanvi Panday	(i)	7.89	7.74
		<b>141.86</b>	<b>183.33</b>

\*Note : Dr. PR Mukherjee resigned as Whole Time Director of the Company w.e.f. 30.06.2020

\*\*Due to Covid-19 pandemic and as Cost saving measure, Mr. Narrindra Suranna, Chairman and Managing Director had voluntarily waived part of his remuneration for the Financial Year 2020-21.

**Sale of Goods**

Plastic Processors Pvt Ltd.	(vi)	-	1,372.55
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**Purchase of Goods**

Plastic Processors Pvt Ltd.	(vi)		
Raw material		-	2,652.68
Capital Goods		0.39	-

**Interest Expenses**

Bbigplas Poly Pvt Ltd	(iii)	114.00	114.00
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**Rent**

Bbigplas Poly Pvt Ltd	(iii)	100.68	100.68
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**Loan Given**

Ddev Plastiks Industries Limited	(iv)	8.00	-
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**(C) Balances at the year ended 31.03.2021****Loan Given & Outstanding**

Ddev Plastiks Industries Limited	(iv)	8.00	-
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**Net Receivable/(Payable)**

Plastic Processor and Exporters Pvt Ltd.	(vi)	-	965.38
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**Loan Taken & Outstanding**

Bbigplas Poly Pvt Ltd*	(iii)	2,296.68	2,195.21
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\*(Note- After giving effect of IND AS)

**Interest Payable**

Bbigplas Poly Pvt Ltd	(iii)	-	74.10
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**Notes to the Financial Statements for the year ended 31st March, 2021**

**43 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)				
		Carrying Value	Fair Value	Fair Value heirarchy		
				Level 1	Level 2	Level 3
<b>(a) Disclosure for the year ended 31st March, 2021</b>						
<b>(1) Financial Assets</b>						
<b>Financial Assets at amortised cost</b>						
Trade Receivables		28,026.13	28,026.13	-	-	28,026.13
Other Financial assets excluding derivative financial instruments		544.03	544.03	-	-	544.03
Loans		8.00	8.00	-	-	8.00
Cash & cash equivalents		774.81	774.81	-	-	774.81
		<b>29,352.98</b>	<b>29,352.98</b>	<b>-</b>	<b>-</b>	<b>29,352.98</b>
<b>Financial Assets at cost</b>						
<u>Investments in equity shares</u>						
<u>Associate -</u>						
Kkalpana Plastick Limited		200.29	65.70	65.70	-	-
<u>Subsidiary -</u>						
Ddev Plastiks Industries Ltd.		1.00	1.00	-	-	1.00
Kkalpana Plastic Reprocess Industries Middleeast FZE		34.98	34.98	-	-	34.98
		<b>236.27</b>	<b>101.68</b>	<b>65.70</b>	<b>-</b>	<b>35.98</b>
<b>Financial Asset at fair value through profit or loss</b>						
Derivative financial instruments		22.80	22.80	-	22.80	-
<u>Investment in Equity Shares - Quoted</u>						
Bank of Baroda		-	0.00	0.00	-	-
Nicco Corporation Ltd.		-	-	-	-	-
<u>Investment in Equity Shares - Unquoted</u>						
Panchawati Holiday Resorts Ltd.		-	-	-	-	-
<b>Assets for which fair values are disclosed</b>						
Investment Property (Refer Note No. 6 (b))		-	-	-	-	-
<b>Total</b>		<b>29,612.05</b>	<b>29,477.46</b>	<b>65.70</b>	<b>22.80</b>	<b>29,388.96</b>

## Notes to the Financial Statements for the year ended 31st March, 2021

(Rs. In lacs)

(2) Financial Liability	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
<b>Financial Liabilities at amortised cost</b>					
Borrowings from Banks and Financial Institutions	10,875.61	10,875.61	-	-	10,875.61
Financial Lease liability	79.40	79.40	-	-	79.40
Trade Payables	31,945.40	31,945.40	-	-	31,945.40
Other Financial liabilities excluding derivative financial instruments	578.33	578.33	-	-	578.33
<b>Total</b>	<b>43,478.75</b>	<b>43,478.75</b>	<b>-</b>	<b>-</b>	<b>43,478.75</b>
<b>Total</b>	<b>43,478.75</b>	<b>43,478.75</b>	<b>-</b>	<b>-</b>	<b>43,478.75</b>

## (b) Disclosure for the year ended 31st March, 2020

(1) Financial Assets	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
<b>Financial Assets at amortised cost</b>					
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
<b>Total</b>	<b>25,868.41</b>	<b>25,868.41</b>	<b>-</b>	<b>-</b>	<b>25,868.41</b>
<b>Financial Assets at cost</b>					
<u>Investments in equity shares</u>					
<u>Associate</u>					
Kkalpana Plastick Limited Subsidiary	200.29	44.06	44.06	-	-
Plastic Processor and Exporters Pvt Ltd.	36.50	36.50	-	-	36.50
<b>Total</b>	<b>236.79</b>	<b>80.56</b>	<b>44.06</b>	<b>-</b>	<b>36.50</b>
<b>Financial Asset at fair value through profit or loss</b>					
Derivative financial instruments	19.88	19.88	-	19.88	-
<u>Investment in Equity Shares - Quoted</u>					
Bank of Baroda	-	0.00	0.00	-	-
Nicco Corporation Ltd.	-	-	-	-	-
<u>Investment in Equity Shares - Unquoted</u>					
Panchawati Holiday Resorts Ltd.	-	-	-	-	-
<b>Assets for which fair values are disclosed</b>					
Investment Property (Refer Note No. 6 (b))	-	-	-	-	-
<b>Total</b>	<b>26,125.08</b>	<b>25,968.85</b>	<b>44.06</b>	<b>19.88</b>	<b>25,904.91</b>

**Notes to the Financial Statements for the year ended 31st March, 2021**

(2) Financial Liability	Carrying Value	Fair Value	(Rs. In lacs)		
			Fair Value heirarchy		
			Level 1	Level 2	Level 3
<b>Financial Liabilities at amortised cost</b>					
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
<b>Total</b>	<b>32,316.23</b>	<b>32,316.23</b>	-	-	<b>32,316.23</b>
<b>Total</b>	<b>32,316.23</b>	<b>32,316.23</b>	-	-	<b>32,316.23</b>

**(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

**44 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.

**Notes to the Financial Statements for the year ended 31st March, 2021**

## 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:

	<b>2020-21</b>	<b>2019-20</b>
	<b>(+/-) 50</b>	<b>(+/-) 50</b>
	<b>Basis</b>	<b>Basis</b>
	<b>Points</b>	<b>Points</b>
<b>Effect on profit before tax due to interest rate sensitivity</b>	<b>32.08</b>	<b>29.20</b>

## (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.

		<b>(Rs. In lacs)</b>			
		<b>As at</b>		<b>As at</b>	
		<b>31st March, 2021</b>		<b>31st March, 2020</b>	
		<b>Foreign</b>	<b>unctional</b>	<b>Foreign</b>	<b>Functional</b>
		<b>Currency</b>	<b>Currency</b>	<b>Currency</b>	<b>Currency</b>
		<b>(Rs. in</b>		<b>(Rs. in</b>	
		<b>lacs.)</b>		<b>lacs.)</b>	
<b>Foreign Currency Exposure</b>					
<b>I Hedged</b>					
Forward contracts for Imports/loans	USD	-	-	4,000,000	3,031.42
Option contracts for Imports	USD	250,000	181.45	-	-
Forward contracts for Exports	USD	5,000,000	3,710.32	-	-
Option contracts for Exports	USD	250,000	181.45	-	-
			-		
<b>II Not hedged</b>					
Trade receivables	USD	3,624,368	2,631.30	3,843,963	2,897.96
	EURO	1,898,727	1,634.78	1,650,552	1,370.78
				-	-
Cash and Cash Equivalents	USD	108,900	80.04	524,427	395.34
	EURO	33,580	28.91	-	-
				-	-
Trade payables	USD	4,973,114	3,657.78	-	-
	EURO	258,761	222.79	101,512	84.30
	CHF	13,046	10.17	-	-
Advance to Supplier	CHF	-	-	53,292	41.77
Foreign currency loan	USD	-	-	-	-
availed under buyers' credit	EURO	-	-	219,780	182.53
<b>Net Unhedged Portion</b>					
Trade receivables	USD	-	-	4,368,390.51	3,293.31
	EURO	1,673,545	1,440.91	1,329,260.40	1,103.95
Trade payables	CHF	13,046	10.17	53,292	41.77
	USD	1,239,846	946.44		

**Notes to the Financial Statements for the year ended 31st March, 2021**

**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)	
	2020-21 (+/-) 5%	2019-20 (+/-) 5%
<b>Effect on profit before tax</b>		
USD	(45.57)	164.67
Euro	72.05	55.20
CHF	(0.51)	2.09
	<b>25.97</b>	<b>221.95</b>

**Derivative Financial Instrument**

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

		As at 31st March, 2021		As at 31st March, 2020	
		Foreign Currency	Fair Value as on 31.03.2021 (Rs.)	Foreign Currency	Fair Value as on 31.03.2020 (Rs.)
Derivatives not designated as hedges					
Forward Contracts	USD	5,000,000	3,689.16	4,000,000	3,051.30
	EURO	-	-	-	-
Option Contracts	USD	500,000	361.27	-	-
Mark to Market (Gain)/loss in Forward Contract			(22.80)		(19.88)

(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.



**Notes to the Financial Statements for the year ended 31st March, 2021**

(Rs. In lacs)

	As at 31st March, 2021	As at 31st March, 2020
Less than 6 months	24,281.27	19,505.91
6 to 12 months	2,366.51	2,040.80
more than 12 months	1,545.64	2,937.07
<b>Total</b>	<b>28,193.42</b>	<b>24,483.78</b>

(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
<b>31st March, 2021</b>				
Borrowings				
Term Loans from Banks	-	-	-	-
Long Term Loans from Others	-	-	2,296.68	2,296.68
Vehicle Loan	17.16	10.12	-	27.28
Cash credit from Banks	1,382.65	-	-	1,382.65
Buyers credit from Banks	-	-	-	-
WCDL from Bank	7,169.00	-	-	7,169.00
Other Financial Liabilities other than current maturities of borrowings and lease obligation	557.50	-	-	557.50
Trade Payables	31,945.40	-	-	31,945.40
Finance Lease liability	20.82	58.58	-	79.40
	<b>41,092.55</b>	<b>68.69</b>	<b>2,296.68</b>	<b>43,457.92</b>
<b>31st March, 2020</b>				
Borrowings				
Term Loans from Banks	1,669.57	1,366.04	-	3,035.61
Long Term Loans from Others	-	2,195.21	-	2,195.21
Vehicle Loan	34.78	27.56	-	62.34
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
	<b>28,727.42</b>	<b>3,588.81</b>	<b>-</b>	<b>32,316.23</b>

**45 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.

**Notes to the Financial Statements for the year ended 31st March, 2021**

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

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

	(Rs. In lacs)	
	As at 31st March, 2021	As at 31st March, 2020
Borrowings	10,907.12	10,290.50
Less: Current investments	-	-
Less: Cash and cash equivalents	774.81	1,511.06
<b>(a) Net Debt</b>	<b>10,132.31</b>	<b>8,779.44</b>
<b>(b) Equity</b>	<b>36,769.90</b>	<b>34,627.97</b>
<b>(c) Equity and Net Debt (a+b)</b>	<b>46,902.20</b>	<b>43,407.41</b>
<b>Gearing Ratio (a/c)</b>	<b>21.60%</b>	20.23%

**B. Proposed Dividend**

The Board of directors in its Board meeting held on 31st May, 2021 have recommended the payment of a final dividend of Rs 0.20 paise per fully paid up equity share (March 31,2020 - Rs 0.12 paise), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

**46 NET - DEBT RECONCILIATION**

Particulars	As at		As at	
	31st March, 2021		31st March, 2020	
	Long term Borrow- ings	Short term borrow- ings	Long term Borrowings	Short term borrowings
Opening Net Debt	3,697.77	6,592.73	5,288.88	8,682.61
Repayment of Borrowings (Net)	1,523.49	(1,976.08)	1,659.16	2,089.87
Interest Expenses (including unwinding of Interest)	562.12	3,563.97	768.62	3,772.12
Interest Paid	398.10	3,563.97	700.57	3,772.12
Closing Net Debt	<b>2,338.30</b>	<b>8,568.82</b>	3,697.77	6,592.73

**47 EARNING PER SHARE (EPS)**

		As at 31st March, 2021	As at 31st March, 2020
(a) Face value of equity shares	Rs. In INR	2.00	2.00
(b) Profit attributable to equity shareholders	(Rs. in lacs)	2,241.25	3,063.80
(c) Weighted average number of equity shares outstanding	Nos.	9,40,72,930	9,40,72,930
(d) Weighted average Earning Per Share (Basic and Diluted)	Rs. In INR	2.38	3.26

## Notes to the Financial Statements for the year ended 31st March, 2021

## 48 RESEARCH &amp; 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)	
		As at 31st March, 2021	As at 31st March, 2020
(a)	Revenue expenditure charged to Statement of Profit and Loss		
	Other Expenses	18.43	29.21
(b)	Capital expenditure shown under fixed assets schedule	10.25	25.93
	Grand Total	<b>28.69</b>	<b>55.13</b>

## 49 ASSETS PLEDGED AS SECURITY

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

		As at 31st March, 2021	As at 31st March, 2020
<b>A.</b>	<b>Current</b>		
	<u>Financial Assets</u>		
	Trade Receivables	28,026.13	23,851.92
	Other Current Assets	7,956.63	4,875.96
	Cash and Cash Equivalents	774.81	1,511.06
	Loans	8.00	-
	<u>Non Financial Assets</u>		
	Inventories	22,864.13	15,228.77
	Total Current Assets Pledged as Security	<b>59,629.70</b>	<b>45,467.71</b>
<b>B.</b>	<b>Non Current</b>		
	Movable and immovable properties located at Surangi Unit	13,322.07	14,001.12
	Movable and immovable properties located at Daman Unit	1,791.87	1,889.95
	Movable and immovable properties located at Silvassa Unit	1,486.13	1,516.48
	Movable and immovable properties located at Bhasa Unit	539.22	575.04
	Movable and immovable properties located at Dhulagarh Unit	3,368.53	3,464.44

Notes -

- Working Capital facilities (fund based and non fund based limits) are secured by 1st pari passu charge by way of hypothecation over entire current assets, stock and trade receivables of the company both present and future and lien on fixed deposit of INR 1.35 crores and 2nd pari passu charge by way of equitable mortgage over all present and future movable and immovable properties except immovable assets of Dankuni & Falta.

## 50 VALUE OF IMPORTED AND INDEGENEOUS MATERIAL CONSUMED

Particulars	As at 31st	%of Total	As at 31st	%of Total
	March, 2021	Consump- tion	March, 2020	Consump- tion
<b>Raw Materials</b>				
i Imported	31,711.50	24%	50,903.48	33%
ii Indegeneous	1,02,051.99	76%	1,02,231.38	67%
<b>Total</b>	<b>133,763.49</b>	<b>100%</b>	153,134.87	100%
<b>Store, Spare parts and Components*</b>				
i Imported	146.89	45%	164.88	23%
ii Indegeneous	176.76	55%	558.76	77%
<b>Total</b>	<b>323.65</b>	<b>100%</b>	723.64	100%

\*Note :- The Consumption of store, spare parts and components includes direct store consumption shown separately in Note -32 and it also includes indirect consumption in various other expenses head such as Repair and maintenance etc.

**Notes to the Financial Statements for the year ended 31st March, 2021**

**51 VALUE OF IMPORTS ON CIF BASIS**

Particulars	(Rs. In lacs)	
	As at 31st March, 2021	As at 31st March, 2020
Raw Materials	<b>32,102.93</b>	51,254.39
Stors, Spare parts and Components	<b>146.89</b>	164.88
Capital Goods	<b>106.17</b>	49.34
<b>Total</b>	<b>32,355.99</b>	51,468.60

**52 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)**

Particulars	(Rs. In lacs)	
	As at 31st March, 2021	As at 31st March, 2020
Exports at FOB Value	<b>34,955.71</b>	26,723.71
<b>Total</b>	<b>34,955.71</b>	26,723.71

**53 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)**

Particulars	(Rs. In lacs)	
	As at 31st March, 2021	As at 31st March, 2020
Travelling	<b>16.02</b>	33.16
Interest	<b>20.51</b>	30.72
Other Matters	<b>730.86</b>	808.26
<b>Total</b>	<b>767.39</b>	872.14

**54 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, machinery 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. Lease liabilities were measured at the present value of remaining lease payments, discounted at the Company's actuarial discounting rate. Right to Use is measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

**Notes to the Financial Statements for the year ended 31st March, 2021**

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

Particulars	(Rs. in lacs.) Total
<b>Balance as at 31st March 2020 (Gross)</b>	-
Additions for the year	93.43
<b>Balance as at 31st March 2021 (Gross)</b>	<b>93.43</b>
<b>Accumulated Amortisation as at 31st March 2020</b>	-
Amortisation for the year	10.90
<b>Accumulated Amortisation as at 31st March 2021</b>	<b>10.90</b>
Net Balance as at 31st March 2021	82.53
Net Balance as at 31st March 2020	-

Following is the movement in lease liabilities during the year ended March 31, 2021

Particulars	(Rs. in lacs.)
<b>Balance as at 31st March 2020</b>	-
Additions during the year	92.19
Interest accrued during the year	0.39
Deletions	-
Payment of Lease Liabilities	13.18
<b>Balance as at 31st March 2021</b>	<b>79.40</b>
- Current lease liabilities	20.82
- Non Current lease liabilities	58.58

**Break up of Contractual maturities of Lease Liabilities as at March 31, 2021 on an undiscounted basis**

Particulars	(Rs. in lacs.)
Less than 1 year	23.03
One to Five year	78.68

**Short-term leases expenses incurred for the year ended 31st March, 2021:**

Particulars	Year Ended 31st March 2021 (Amount in lacs.)	Year Ended 31st March 2020 (Amount in lacs.)
Rental expense	621.53	643.33

**55 IMPACT OF COVID-19**

The year ended March 31, 2021 was unprecedented due to the spread of Coronavirus pandemic across the globe, impacting all the geographies of our operations in the early months of the period. As per our current assessment, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, other investments and other financial assets is expected, and we continue to monitor changes in future economic conditions.

**56** The Board of Directors of the Company, at its meeting held on 11th December, 2020 had considered and approved a draft Composite Scheme of Arrangement ('Scheme') between Kkalpana Industries (India) Ltd. ('the Demerged Company') and Ddev Plastiks Industries Ltd. ('the Resulting Company'), a wholly owned subsidiary of the Company, to demerge the compounding unit of the Company to the Resulting Company, subject to necessary approvals from the concerned authorities, with effect from 1st April 2021 as the Appointed Date. The Company is in the process of obtaining approvals from the concerned authorities. Pending such necessary regulatory approvals and other compliances, no adjustments have been made in the books of account and in the accompanying results.

**57 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, 2021.

**58** 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

S K Mukherjee  
Partner  
Membership No.006601  
Date : 31st May, 2021  
Place : Kolkata

For and on behalf of Board of Directors

**Narrindra Suranna**  
(DIN: 00060127)  
Chairman and Managing Director

**Tanvi Panday**  
(Membership No. ACS 31176)  
Company Secretary

**Rajesh Kumar Kothari**  
(DIN: 02168932)  
Whole Time Director

**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 31<sup>st</sup> March, 2021, 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 31<sup>st</sup> March 2021, 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.

<b>Key Audit Matters</b>	<b>Auditor’s Response</b>
<p><b>Inventory- existence and valuation</b></p> <p>Refer to note 11 to the consolidated financial statements. The Company is having the Inventories of Rs 22,864.13 lacs as on 31<sup>st</sup> March 2021. As described in the accounting policies in note 3.12 to the consolidated financial statements, inventories are carried at the lower of cost and net realisable value. As a result, the management applies judgement in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory.</p>	<p><b>Audit Procedures Performed</b></p> <p>We have obtained assurance over the appropriateness of the management’s assumptions applied in calculating the value of the inventories and related provisions and management assertion regarding existence and ownership by:-</p> <p>Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.</p>

Key Audit Matters	Auditor's Response
<p><b>Revenue Recognition</b></p> <p>Revenue from the sale of goods is recognized at the moment when control has been transferred to the customer and is measured net of trade discounts, rebates and pricing allowances to customers (collectively 'trade spends'). There is a risk that revenue may be overstated because of pressure local management may feel to achieve performance targets. Revenue is also an important element of how the company measures its performance, upon which management is incentivized.</p>	<p>Performing 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).</p> <p>Verifying for a sample of individual products that costs have been correctly recorded.</p> <p>Identified and assessed a sample of aged and obsolete inventory.</p> <p>We also analysed the level of slow-moving inventory and the associated provision.</p> <p>We have reviewed the historical accuracy of inventory provisioning and the level of inventory write-offs during the financial year.</p> <p>Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision.</p> <p>Performing substantive analytical procedures to test the correctness of inventory existence and valuation.</p> <p>Testing the accuracy of inventory reconciliations with the general ledger at period end, including test of reconciling items.</p> <p>The procedures performed gave us a sufficient evidence to conclude about the inventory existence and valuation.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>• We evaluated the design, tested the implementation and operating effectiveness of key internal controls including general IT controls and key IT application controls over recognition of revenue.</li> <li>• We performed substantive testing by selecting samples of revenue transactions recorded during the year by testing the underlying documents which included invoices, good dispatch notes, customer acceptances and shipping documents (as applicable).</li> <li>• We carried out analytical procedures on revenue recognised during the year to identify unusual variances.</li> <li>• We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period.</li> <li>• We tested manual journal entries posted to revenue to identify unusual items.</li> </ul>

### **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 47.53 lakhs as at March 31, 2021 (as at 31 March 2020 Rs. 771.12 lakhs); total revenue of Rs. 7.94 lakhs, net loss of

Rs. 28.78 lakhs and net cash outflow of Rs. 20.24 lakhs for the year ended 31<sup>st</sup> March, 2021 (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 March 31, 2020) 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.685.07 lakhs as at 31st March, 2021 (as at 31 March 2020 Rs.677.86 lakhs) total comprehensive income/ (loss) of Rs.10.40 lacs for the year ended 31st March 2021 (Rs.0.52 Lakhs for the year ended March 31, 2020) 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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 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**

**S.  
K. Mukherjee  
(Partner)**

**Mem No : 006601  
UDIN:- 21006601AAAAHQ7730**

**Place: Kolkata  
Date: 31<sup>st</sup> day of May, 2021**

**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 Holding Company")** and its subsidiaries and associates for the year ended 31<sup>st</sup> March 2021 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 31<sup>st</sup> March 2021, 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**

**S. K. Mukherjee  
(Partner)**

**Mem No : 006601  
UDIN:- 21006601AAAAHQ7730**

**Place: Kolkata**

**Date: 31<sup>st</sup> day of May, 2021**

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2021**

		(Rs in Lacs)	
	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>A ASSETS</b>			
<b>1 Non-current Assets</b>			
Property, Plant and Equipment	4	22,668.61	23,451.42
Investment Property	5	1,281.68	1,281.68
Other Intangible Assets	6	12.10	14.42
Right of Use - Lease	7	82.53	-
Goodwill		-	71.11
Financial Assets			
(i) Investments	8	245.51	241.75
(ii) Other Financial Assets	9	81.56	130.87
Other Non-Current Assets	10	114.83	38.59
		<b>24,486.82</b>	<b>25,229.84</b>
<b>2 Current Assets</b>			
Inventories	11	22,864.13	15,228.77
Financial Assets			
(i) Trade Receivables	12	28,026.13	22,887.14
(ii) Cash & Cash Equivalents	13	795.06	1,519.75
(iii) Other Financial Assets	9	488.04	412.26
Other Current Assets	14	7,495.86	5,189.36
		<b>59,669.22</b>	<b>45,237.29</b>
<b>Total</b>		<b>84,156.04</b>	<b>70,467.13</b>
<b>B EQUITY &amp; LIABILITIES</b>			
<b>1 Equity</b>			
Equity Share Capital	15	1,881.46	1,881.46
Other Equity	16	34,909.86	32,624.90
		<b>36,791.32</b>	<b>34,506.36</b>
Non Controlling Interest		-	-
		<b>36,791.32</b>	<b>34,506.36</b>
<b>2 Non Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	17	2,306.80	3,588.81
(ii) Finance Lease Liability	18	58.58	-
Provisions	19	198.19	208.59
Deferred Tax Liabilities (net)	20	2,547.27	2,388.23
		<b>5,110.84</b>	<b>6,185.63</b>
<b>3 Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	21	8,551.66	4,888.39
(ii) Trade Payables	22		
- Micro & Small Enterprises		621.41	506.75
- Others		31,350.97	20,110.90
(iii) Other Financial Liabilities	23	595.86	3,225.33
Other Current Liabilities	24	399.02	546.72
Provisions	25	222.74	157.47
Current Tax Liabilities (net)	26	512.22	339.57
		<b>42,253.88</b>	<b>29,775.13</b>
<b>Total</b>		<b>84,156.04</b>	<b>70,467.13</b>
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

S K Mukherjee  
Partner  
Membership No.006601  
Date : 31st May, 2021  
Place : Kolkata

**Narrindra Suranna**  
(DIN: 00060127)  
Chairman and Managing Director

**Rajesh Kumar Kothari**  
(DIN: 02168932)  
Whole Time Director

**Tanvi Panday**  
(Membership No. ACS 31176)  
Company Secretary

**Indar Chand Dakalia**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021**

	Note No.	As at 31st March, 2021	(Rs in Lacs) As at 31st March, 2020
<b>I INCOME</b>			
Revenue from Operations	27	155,004.96	174,469.55
Other Income	28	1,673.07	1,272.36
<b>Total Income</b>		<b>156,678.03</b>	<b>175,741.92</b>
<b>II EXPENSES</b>			
Cost of Materials Consumed	29	133,763.49	150,937.99
Changes in Inventories of Finished Goods & Work-in-Progress & Stock-in-Trade	30	639.99	10.77
Employee Benefits Expense	31	3,155.24	4,064.84
Finance Costs	32	3,564.05	4,541.75
Depreciation & Amortization Expense	4-7	1,246.55	1,221.70
Other Expenses	33	11,117.73	11,990.96
<b>Total Expenses</b>		<b>153,487.05</b>	<b>172,768.01</b>
<b>III PROFIT BEFORE SHARE OF PROFIT/(LOSS) FROM INVESTMENT IN ASSOCIATE AND TAX</b>		<b>3,190.98</b>	<b>2,973.91</b>
<b>IV SHARE OF PROFIT/(LOSS) OF ASSOCIATE</b>		<b>3.77</b>	<b>0.19</b>
<b>V PROFIT BEFORE TAX</b>		<b>3,194.75</b>	<b>2,974.10</b>
Tax expense	34		
Current tax		643.39	680.46
Deferred tax		144.39	(541.50)
Mat Credit Entitlement		-	(8.38)
Tax for earlier years		22.98	(178.97)
<b>Total Tax expense</b>		<b>810.76</b>	<b>(48.38)</b>
<b>VI PROFIT FOR THE YEAR AFTER TAX</b>		<b>2,383.99</b>	<b>3,022.48</b>
<b>VII OTHER COMPREHENSIVE INCOME</b>	35		
i Items that will not be classified to profit and loss		18.40	(26.78)
ii Income tax relating to items that will not be classified to profit and loss		(4.56)	9.27
<b>Total Other Comprehensive Income For The Year</b>		<b>13.84</b>	<b>(17.51)</b>
<b>VIII TOTAL COMPREHENSIVE INCOME FOR THE YEAR PROFIT/(LOSS) FOR THE YEAR</b>		<b>2,397.83</b>	<b>3,004.97</b>
<b>Attributable to</b>			
Equity Holders of the Parent		2,383.99	3,022.48
Non Controlling Interest		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,383.99</b>	<b>3,022.48</b>
<b>Attributable to</b>			
Equity Holders of the Parent		2,397.83	3,004.97
Non Controlling Interest		-	-
		<b>2,397.83</b>	<b>3,004.97</b>
<b>EARNING PER EQUITY SHARE</b>			
(Face value of Rs 2/- each)			
Basic (Rs.)		2.53	3.21
Diluted (Rs.)		2.53	3.21

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

S K Mukherjee  
Partner  
Membership No.006601  
Date : 31st May, 2021  
Place : Kolkata

**Narrindra Suranna**  
(DIN: 00060127)  
Chairman and Managing Director

**Tanvi Panday**  
(Membership No. ACS 31176)  
Company Secretary

For and on behalf of Board of Directors

**Rajesh Kumar Kothari**  
(DIN: 02168932)  
Whole Time Director

**Indar Chand Dakalia**  
Chief Financial Officer

**CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2021**

	(Rs in Lacs)	
Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	3,191.00	2,973.91
Adjustment for:		
Depreciation & amortization expense (Including Leasehold amortization of Rs.10.90 lacs)	1,246.55	1,221.70
Loss/(Profit) on sale of fixed assets	14.03	89.18
Unwinding of Interest on security deposit	(9.65)	(10.89)
Finance cost	3,564.05	4,541.75
Interest income	(31.97)	(89.64)
Other comprehensive income	18.13	(26.78)
Profit on disposal of Investment in subsidiary	(136.28)	
Provision for Doubtful debts	167.29	-
Bad debts written off	1,124.23	11.65
Notional rent on Security deposit	9.75	7.94
	<u>5,966.13</u>	<u>5,744.91</u>
<b>Operating profit before Working Capital changes</b>	<b>9,157.13</b>	<b>8,718.82</b>
<b>Adjustments for Working Capital changes</b>		
Decrease/(increase) in non current financial assets		
Other financial assets	41.95	24.40
Decrease/(increase) in other non current assets	(86.18)	31.48
Decrease/(increase) in inventories	(7,635.35)	996.69
Decrease/(increase) in current financial assets		
Trade receivables	(5,465.73)	7,209.52
Other financial assets	(76.60)	58.92
Decrease/(increase) in other current assets	(3,031.36)	38.29
Increase/(decrease) in non current provisions	(10.41)	82.62
Increase/(decrease) in current financial liabilities		
Trade payables	11,355.94	(8,376.53)
Other financial liabilities	(882.92)	(123.66)
Increase/(decrease) in other current liabilities	(142.86)	72.58
Increase/(decrease) in short term provisions	67.70	(6.98)
	<u>(5,865.82)</u>	<u>7.33</u>
<b>Cash generated from operations</b>	<b>3,291.31</b>	<b>8,726.15</b>
(Tax paid) / refund received (net)	(492.60)	(798.51)
<b>Net cash from operating activities</b>	<b>2,798.71</b>	<b>7,927.64</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment, CWIP and Intangible assets	(954.98)	(486.90)
Sale proceeds of Property, Plant and Equipment	472.99	318.63
Interest receipt on investments	31.97	89.64
Increase in investment in Term deposit	-	281.40
Purchase of current investments (net)	-	-
<b>Net cash generated / (used) from investing activities</b>	<b>(450.02)</b>	<b>202.77</b>



**CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2021**

Particulars	(Rs in Lacs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>C. CASHFLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings		
Repayment of long term borrowings	(1,523.49)	(1,659.16)
Increase/(decrease) in short term borrowings	1,976.08	(2,089.87)
Payment of Lease Liability	(13.18)	-
Dividend paid	(112.89)	(225.78)
Taxes on dividend Paid	-	(45.96)
Effect of exchange rate difference	(0.26)	
Finance cost	(3,399.63)	(4,473.72)
<b>Net cash from financing activities</b>	<b>(3,073.37)</b>	<b>(8,494.49)</b>
<b>Net changes in Cash and Bank balances</b>	<b>(724.68)</b>	<b>(364.08)</b>
Net Increase / (-) Decrease in Cash and Bank balances		
Balance at the end of the year	<b>795.06</b>	1,519.75
Balance at the beginning of the year	<b>1,519.75</b>	1,883.84
<b>Net changes in Cash and Bank balances</b>	<b>(724.68)</b>	<b>(364.08)</b>

**For B. Mukherjee & Co.**Chartered Accountants  
Firm Registration No:302096ES K Mukherjee  
Partner  
Membership No.006601  
Date : 31st May, 2021  
Place : Kolkata**Narrindra Suranna**  
**(DIN: 00060127)**  
Chairman and Managing Director**Tanvi Panday**  
**(Membership No. ACS 31176)**  
Company Secretary

For and on behalf of Board of Directors

**Rajesh Kumar Kothari**  
**(DIN: 02168932)**  
Whole Time Director**Indar Chand Dakalia**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021**

	(Rs. In Lacs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>A. EQUITY SHARE CAPITAL (Refer Note No. 15)</b>		
Balance at the year beginning	1,881.46	1,881.46
Changes in equity share capital during the year	-	-
<b>Balance at the year end</b>	<b>1,881.46</b>	<b>1,881.46</b>

**B. OTHER EQUITY (Refer Note No. 16)**

**For the year ended 31st March, 2021**

Particulars	Reserve & Surplus				Other Compre- hensive Income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasure- ment of defined benefit plan	
Balance as at 1st April, 2020	852.96	5,322.45	3,400.00	23,104.73	(55.24)	32,624.90
Add : For the Year	-	-	-	2,384.01	13.84	2,397.85
Less: Equity Dividend for the year 2019-20	-	-	-	(112.89)	-	(112.89)
<b>Balance as at 31st March, 2021</b>	<b>852.96</b>	<b>5,322.45</b>	<b>3,400.00</b>	<b>25,375.85</b>	<b>(41.40)</b>	<b>34,909.86</b>

**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)	29,891.66
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)
<b>Balance as at 31st March, 2020</b>	<b>852.96</b>	<b>5,322.45</b>	<b>3,400.00</b>	<b>23,104.73</b>	<b>(55.24)</b>	<b>32,624.90</b>

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

S K Mukherjee  
Partner  
Membership No.006601  
Date : 31st May, 2021  
Place : Kolkata

**Narrindra Suranna**  
(DIN: 00060127)  
Chairman and Managing Director

**Tanvi Panday**  
(Membership No. ACS 31176)  
Company Secretary

For and on behalf of Board of Directors

**Rajesh Kumar Kothari**  
(DIN: 02168932)  
Whole Time Director

**Indar Chand Dakalia**  
Chief Financial Officer

## Notes to the consolidated financial statements for the year ended 31st March, 2021

### 1. COMPANY INFORMATION

Kkalpana Industries (India) Limited (the Company) was incorporated in India on 03rd of September 1985. The Company is domiciled in India whose shares are listed on the Bombay Stock Exchange (BSE) and Calcutta Stock Exchange (CSE). The registered office is located at 2B Pretoria Street, Kolkata. 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, 2021 were authorised for issue in accordance with a resolution of the Board of Directors as on 31.05.2021.

#### 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").

#### Group Structure

Name of the Company	Country of Incorporation	% of share held by the Parent Company as at 31st March 2021	% of share held by the Parent Company as at 31st March 2020
<b><u>Subsidiary</u></b>			
Plastic Processor and Exporter Pvt Ltd.	India	-	100.00%
Ddev Plastiks Industries Ltd	India	100.00%	-
Kkalpana Plastic Reprocess Industries Middleeast FZE	UAE	100.00%	-
<b><u>Associates</u></b>			
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. Specifically, the Group controls an investee if and only if the Group has :

- Power over the investee (i.e. existing 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.

## **Notes to the consolidated financial statements for the year ended 31st March, 2021**

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

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

### **Consolidation Procedure**

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

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. In other words, the excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised 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 entities of the group (profit or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated 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, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity 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 method. 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 acquisition 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).

## Notes to the consolidated financial statements for the year ended 31st March, 2021

(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.

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

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

## Notes to the consolidated financial statements for the year ended 31st March, 2021

### 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.

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.

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

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

### 3.3 Intangible Assets

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 derecognition.

#### ***Intangible assets are amortised as follows:***

Technical Know How and Computer Software is amortized over a period of 10 years except SAP, a new Enterprise Resource Planning (ERP) System which has been implemented and amortised during the year.

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

**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.



## Notes to the consolidated financial statements for the year ended 31st March, 2021

### 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.

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.

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

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 irrevocable 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.

## Notes to the consolidated financial statements for the year ended 31st March, 2021

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 entirety or for a portion thereof.

### Impairment of financial assets

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

- (a) Financial assets measured at amortised cost
- (b) Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

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

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

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

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

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

## **B) Financial liabilities**

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

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

### **Subsequent measurement**

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

#### **(a) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

#### **(b) Loans and borrowings**

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

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

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

**(c) Financial Guarantee Contracts**

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

**Derecognition**

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

**Offsetting of financial instruments**

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

**Derivative financial instruments and hedge accounting**

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

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

**3.9 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 initially 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.

## Notes to the consolidated financial statements for the year ended 31st March, 2021

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 price 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 Employment 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 Provident Fund towards which the Group has no further obligation beyond its monthly contribution. Superannuation benefit scheme is not existing in the Group.

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

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.

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 reviewed 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.

## Notes to the consolidated financial statements for the year ended 31st March, 2021

### 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.

#### 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.

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

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.

**Consolidated Schedules for the year ended 31st March, 2021**
**04. Property Plant and Equipment**

(Rs. In Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2020	Addition during the year	Sales/ Disposals	As at 31-03-2021	As at 01-04-2020	For the Period	Sales/ Disposals	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
<b>TANGIBLE ASSETS:</b>										
Free hold land	1,608.30	-	-	1,608.30	-	-	-	-	1,608.30	1,608.30
Factory Building	7,396.07	484.07	530.01	7,350.13	1,671.81	226.66	175.94	1,722.53	5,627.60	5,724.26
Plant & Machinery	16,940.05	347.23	174.72	17,112.56	2,634.59	683.63	56.42	3,261.80	13,850.76	14,305.46
Furniture & Fixture	260.42	2.58	-	263.00	100.04	24.36	-	124.40	138.60	160.38
Motor Car	221.14	6.41	70.73	156.82	49.41	30.15	60.22	19.34	137.47	171.73
Scooter, Moped & Cycle	1.66	-	-	1.66	0.48	0.17	-	0.65	1.01	1.18
Laboratory Equipment	818.95	10.25	4.33	824.88	261.50	79.44	1.46	339.48	485.40	557.45
Electrical Installation	1,491.88	79.43	34.05	1,537.26	703.15	153.94	13.82	843.27	693.99	788.73
Office Equipment	104.75	13.45	-	118.20	44.16	18.27	-	62.43	55.78	60.60
Air Conditioner	70.84	-	-	70.84	22.92	3.95	-	26.87	43.97	47.91
Computer	62.12	11.54	-	73.66	36.69	11.25	-	47.94	25.73	25.43
<b>Total</b>	<b>28,976.17</b>	<b>954.97</b>	<b>813.84</b>	<b>29,117.31</b>	<b>5,524.76</b>	<b>1,231.82</b>	<b>307.87</b>	<b>6,448.71</b>	<b>22,668.61</b>	<b>23,451.42</b>
Previous Year	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

**05. Investment Property**

(Rs in Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2020	Addition during the year	Sales/ Disposals	As at 31-03-2021	As at 01-04-2020	For the Period	Sales/ Disposals	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Free Hold Land	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68
<b>Total</b>	<b>1,281.68</b>	<b>-</b>	<b>-</b>	<b>1,281.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,281.68</b>	<b>1,281.68</b>
Previous Year	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68



**Notes to the consolidated financial statements for the year ended 31st March, 2021****06. Other Intangible Assets**

(Rs in Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2020	Addition during the year	Sales/ Disposals	As at 31-03-2021	As at 01-04-2020	For the Period	Sales/ Disposals	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Technical Knowhow	0.20	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	228.12	-	-	228.12	213.91	2.32	-	216.23	11.90	14.22
<b>Total</b>	<b>228.33</b>	-	-	<b>228.33</b>	<b>213.91</b>	<b>2.32</b>	-	<b>216.23</b>	<b>12.10</b>	<b>14.42</b>
Previous Year	228.33	-	-	228.33	209.34	4.56	-	213.91	14.42	18.98

**07. Right of Use - Lease**

(Rs in Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2020	Addition during the year	Sales/ Disposals	As at 31-03-2021	As at 01-04-2020	For the Period	Sales/ Disposals	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Plant & Machinery	-	93.43	-	93.43	-	10.90	-	10.90	82.53	-
<b>Total</b>	-	<b>93.43</b>	-	<b>93.43</b>	-	<b>10.90</b>	-	<b>10.90</b>	<b>82.53</b>	-
Previous year	-	-	-	-	-	-	-	-	-	-

**Other Notes to Note No 04 to 07**

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

A1. Refer Note No. 46 for information on Property, Plant and Equipment and Other 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, 2021 is Rs.57.87 lacs (31st March, 2020: Rs.388.28 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 reclassified 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 nature, 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 consolidated financial statements for the year ended 31st March, 2021**

		(Rs. In Lacs)				
8	FINANCIAL ASSETS:- NON-CURRENT INVESTMENTS	Face Value Rs.	No. of Shares / Units		Amount	
			As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
<b>Equity Instruments - Fully paid up</b>						
<u>Unquoted</u>						
	(A) Others-At Fair Value Through Profit and Loss					
	(ii) Panchawati Holiday Resorts Ltd.	10	9,400	9,400	-	-
<u>Quoted</u>						
	(a) Associate-At Cost					
	(i) Kkalpana Plastick Limited	10	2,002,920	2,002,920	245.51	241.75
	(b) Others-At Fair Value Through Profit and Loss					
	(i) Dena Bank/Bank of Baroda	10	1	1	-	-
	(ii) Nicco Corporation Ltd.	2	826,194	826,194	-	-
<b>Total Investments</b>					<b>245.51</b>	<b>241.75</b>
Less: Provision for diminution in the value of Investments					-	-
<b>Net Investments</b>					<b>245.51</b>	<b>241.75</b>
<b>Notes:</b>						
Aggregate carrying amount of Quoted Investments					245.51	241.75
Aggregate market value of Quoted Investments					65.70	44.06
Aggregate amount of Unquoted Investments					-	-
Aggregate amount of Impairment in the value of Investments					-	-
		<b>Non Current</b>		<b>Current</b>		
		<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	
<b>9 FINANCIAL ASSETS - OTHERS</b>		<b>31st March,</b>	<b>31st March,</b>	<b>31st March,</b>	<b>31st March,</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	
<b>Unsecured, considered good</b>						
	(a) Security Deposit	81.56	130.87	213.46	154.18	
	(b) Investment in Term Deposits (with remaining maturity of more than 12 months)	-	-	-	-	
	(c) Derivative Instruments					
	Foreign Exchange Forward Contracts	-	-	21.17	19.88	
	Foreign Currency Options	-	-	1.63	-	
	(d) Others - Advances Recoverable from					
	Employees	-	-	127.21	117.37	
	Others	-	-	92.77	74.93	
	(e) Interest Accrued	-	-	31.80	45.90	
<b>Total</b>		<b>81.56</b>	<b>130.87</b>	<b>488.04</b>	<b>412.26</b>	
<b>10. OTHER NON CURRENT ASSETS</b>				<b>As at</b>	<b>As at</b>	
				<b>31st March,</b>	<b>31st March,</b>	
				<b>2021</b>	<b>2020</b>	
	(a) Capital Advances					
	(i) Unsecured - considered good			106.32	25.81	
	(b) Other Advances					
	(i) Unsecured, considered good					
	- Deposit			-	0.20	
	(c) Prepaid Rent			8.51	12.58	
<b>Total</b>				<b>114.83</b>	<b>38.59</b>	

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, 2021

		(Rs in Lacs)	
		As at	As at
		31st March,	31st March,
		2021	2020
<b>11. INVENTORIES</b>			
(As taken valued and certified by the management)			
At Cost or NRV whichever is lower			
<b>(a) Raw materials</b>			
- In Stock		19,182.93	11,167.66
<b>(b) Finished goods</b>			
- In Stock		3,067.83	3,707.82
<b>(c) Stores and spares- at Cost</b>			
- In Stock		613.37	353.29
<b>Total</b>		<b>22,864.13</b>	<b>15,228.77</b>

- During the year ended 31st March, 2021 and year ended 31st March, 2020 no amount was recognised as an expense for the inventories carried at net realisable value.
- Refer Note No - 48 for details of Carrying amount of Inventories pledged with banks against Working Capital loans.
- Stores and Spares does not include machinery spares which can be used only in connection with an item of Fixed Assets.

		(Rs in Lacs)	
		As at	As at
		31st March,	31st March,
		2021	2020
<b>12. TRADE RECEIVABLES</b>			
(a) Unsecured, considered good			
(i) Others		28,193.42	23,519.00
		<b>28,193.42</b>	<b>23,519.00</b>
Less: Allowance for bad and doubtful debts		167.29	631.86
<b>Total (Net of Provision)</b>		<b>28,026.13</b>	<b>22,887.14</b>

- 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 Assessment for Trade Receivables based on expected credit loss model considering the credit risk as significantly low. The Company has used a simplified approach based on a 12 months ECL. A provision matrix has been prepared based on historical credit loss experience adjusted as appropriate to reflect the current conditions and supportable forecast of future economic conditions. The Company has used the adjustment rate of 5% for worsening of future economic conditions.

		(Rs in Lacs)	
		As at	As at
		31st March,	31st March,
		2021	2020
<b>13. CASH &amp; CASH EQUIVALENTS</b>			
(a) Balance with banks:			
(i) In Current Accounts		147.98	87.31
(ii) In EEFC Account		108.95	395.34
(ii) In Deposit with Original Maturity of less than 3 months		1.89	995.33
(b) Cash in hand (As certified by the management)		28.49	25.57
(c) Other Bank Balance			
(i) Unpaid Dividend account		12.52	16.20
(ii) Deposits with more than 3 months initial maturity		495.23	-
<b>Total</b>		<b>795.06</b>	<b>1,519.75</b>

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

		(Rs in Lacs)	
		As at	As at
14. OTHER CURRENT ASSETS		31st March,	31st March,
		2021	2020
(a) Other Advances	Unsecured, considered good		
	(i) Balances with government departments	6,995.84	3,750.41
	(ii) Advance to Suppliers	132.69	190.94
	(iii) Other Advances	-	718.69
(b) Prepaid Expenses		367.01	529.32
(c) Prepaid Rent		0.32	-
<b>Total</b>		<b>7,495.86</b>	<b>5,189.36</b>

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

		(Rs in Lacs)	
		As at	As at
15. EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity )		31st March,	31st March,
		2021	2020
<b>Authorised Shares</b>			
153,000,000 (Previous Year: 153,000,000) Shares of Rs. 2 each		3,060.00	3,060.00
		<b>3,060.00</b>	<b>3,060.00</b>
<b>Issued, Subscribed and Paid Up</b>			
940,72,930 (Previous Year: 940,72,930) Equity Shares of Rs.2 each		1,881.46	1,881.46
		<b>1,881.46</b>	<b>1,881.46</b>

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	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	<b>94,072,930</b>	<b>1,881.46</b>	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 proportion 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 2021		As at 31st March, 2020	
		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 allotted 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 consolidated financial statements for the year ended 31st March, 2021****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 provisions of the Act.

	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
As per Last Financial Statement	5,322.45	5,322.45
Add: During the year	-	-
	<b>5,322.45</b>	<b>5,322.45</b>

**(b) Capital Reserve and Amalgamation Reserve**

	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
As per Last Financial Statement	852.96	852.96
Add: During the year	-	-
	<b>852.96</b>	<b>852.96</b>

**(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.

	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
As per Last Financial Statement	3,400.00	3,400.00
Add: During the year	-	-
	<b>3,400.00</b>	<b>3,400.00</b>

**(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.

	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
As per Last Financial Statement	23,104.73	20,353.98
Less: Equity Dividend	(112.89)	(225.78)
Less: Corporate Dividend Tax	-	(45.96)
Add: During the year	2,384.01	3,022.48
	<b>25,375.85</b>	<b>23,104.73</b>

**(e) Other Comprehensive Income**

	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
As per Last Financial Statement	(55.24)	(37.73)
Add: During the year	13.84	(17.51)
	<b>(41.40)</b>	<b>(55.24)</b>
<b>Total Reserves (a+b+c+d+e+f)</b>	<b>34,909.86</b>	<b>32,624.90</b>

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

		(Rs in Lacs)			
		Non Current		Current *	
		As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
<b>17. LONG TERM BORROWINGS</b>					
	<b>Secured</b>				
	<b>(a) Term Loans</b>				
	<b>I From Banks</b>				
	(i) Rupee Loan	-	1,366.04	-	1,669.57
	<b>II From Others</b>				
	(i) From Banks - Vehicle Loan	<b>10.12</b>	27.56	<b>17.16</b>	34.78
	<b>Total (Net) (a)</b>	<b>10.12</b>	1,393.61	<b>17.16</b>	1,704.35
	<b>Unsecured</b>				
	<b>(b) Long term loan</b>				
	-Related Party	<b>2,296.68</b>	2,195.21	-	-
	<b>Total (Net) (b)</b>	<b>2,296.68</b>	2,195.21	-	-
	<b>Grand Total (Net) (a+b)</b>	<b>2,306.80</b>	3,588.81	<b>17.16</b>	1,704.35

\* Refer Note No.23

**Details of terms of repayment of long term borrowings**

Long term borrowings	Terms of Repayment	Maturity Date	Interest Rate	Loan Taken Date
<b>Secured</b>				
<b>a) Term Loans</b>				
<b>I From Banks</b>				
(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 disbursement. Repayments to start from 31st March 2018 till 31st December 2022.	31st Dec 2022	9.75%	06th Jan 2017

Note - Loan no. (i) & (ii) has been repaid in full during the year as per the repayment schedule, however loan no. (iii) & (iv) has been repaid as on 31st March, 2021.

**II From Others**

(i) Vehicle Loan (secured by 60 equal monthly instalment hypothecation of motor car)

**Unsecured**

**(b) Long term loan/deposits**

**RELATED PARTY**

Bbigplas Poly Pvt. Ltd.

Repayable on Demand after 30th March 2027

4% till 30th March 2022 & 11% from 31st March 2022 to 30th March 2027

## Notes to the consolidated financial statements for the year ended 31st March, 2021

		(Rs in Lacs)	
		As at 31st March, 2021	As at 31st March, 2020
<b>18 FINANCE LEASE LIABILITY</b>			
(i) From Others		58.58	-
		<b>58.58</b>	<b>-</b>
<b>19 LONG TERM PROVISIONS</b>			
<b>(a) Employee benefits</b>			
(i) Gratuity (Refer Note No. 39(b))		198.19	208.59
<b>Total</b>		<b>198.19</b>	<b>208.59</b>
<b>20. DEFERRED TAX LIABILITIES (NET)</b>			
<b>(a) Liabilities :</b>			
Depreciation and ammortization expenses		2,535.25	2,428.58
Items under financial assets and financial liabilities giving temporary differences		107.03	171.20
<b>Total (a)</b>		<b>2,642.28</b>	<b>2,599.79</b>
<b>(b) Assets :</b>			
Items under financial assets and financial liabilities giving temporary differences		52.91	200.65
Provision for doubtful debts & obsolescence		42.10	-
MAT Credit Entitlement		-	10.90
<b>Total (b)</b>		<b>95.01</b>	<b>211.56</b>
<b>Net Liability (a-b)</b>		<b>2,547.27</b>	<b>2,388.23</b>
<b>Reconciliation of Deferred Tax Assets/ Liabilites (Net):</b>			
Opening balance as at the beginning of the Year		2,388.23	2,917.35
Opening balance of Plastic Processor & Exporters Pvt. Ltd. which ceased to be subsidiary with effect from 17th December, 2020		10.10	-
Tax (benefit) / expense during the period recognised in profit or loss		144.39	(541.50)
MAT Credit Entitlement utilised/(availed)*		-	(8.38)
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		4.56	(9.27)
Closing balance as at the end of the Year		<b>2,547.27</b>	<b>2,388.23</b>
<b>21. SHORT TERM BORROWINGS</b>			
<b>Secured</b>			
<b>(a) Loans repayable on demand</b>			
Cash credits from bank *		1,382.66	999.15
Working Capital Demand Loan from Bank		7,169.00	1,900.26
<b>(b) Other Loans and advances</b>			
Buyer's credit from bank *		-	1,988.98
<b>Total</b>		<b>8,551.66</b>	<b>4,888.39</b>

\* 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 hypothecation over entire current assets, stock and trade receivables of the company both present and future and lien on fixed deposit of INR 1.35 crores and 2nd pari passu charge by way of equitable mortgage over all present and future movable and immovable properties except immovable assets of Dankuni & Falta.

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

	(Rs in Lacs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>22. TRADE PAYABLES</b>		
(a) Micro & Small Enterprises	621.41	506.75
(b) Others		
Acceptances secured *	25,545.88	17,156.69
Sundry Creditors for goods	5,260.63	2,248.22
Sundry Creditors for expenses	544.46	706.00
<b>Total</b>	<b>31,972.38</b>	<b>20,617.65</b>
* 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, 2021 – Rs 0.83 lacs.		
<b>23. CURRENT FINANCIAL LIABILITIES-OTHER</b>		
(a) Current maturities of long-term debts (Refer Note No.17 )	17.16	1,704.35
(b) Interest payable on Unsecured Loan	-	74.10
(c) Interest accrued but not due on borrowings	31.51	34.86
(d) Unpaid dividends #	12.52	16.20
(e) Finance Lease Liability	20.82	-
(f) Derivative Instruments		
(i) Foreign Exchange Forward Contracts	-	-
(ii) Foreign Currency Options	-	-
(g) Others		
(i) Creditors for Capital Goods	117.31	132.73
(ii) Other Liability	396.54	1,263.09
<b>Total</b>	<b>595.86</b>	<b>3,225.33</b>
# There is no amount due & outstanding to be credited to the Investor Education & Protection Fund.		
<b>24. OTHER CURRENT LIABILITIES</b>		
(a) Advance payments from customers	324.93	485.96
(b) Other payables		
(i) Statutory dues	74.09	60.75
<b>Total</b>	<b>399.02</b>	<b>546.72</b>
<b>25. SHORT TERM PROVISIONS</b>		
(a) Employee benefits		
Leave encashment (unfunded)	147.77	119.58
Gratuity	74.97	37.90
<b>Total</b>	<b>222.74</b>	<b>157.47</b>
<b>26. CURRENT TAX LIABILITIES</b>		
Income Tax (Net of Payments)	512.22	339.57
	<b>512.22</b>	<b>339.57</b>



**Notes to the consolidated financial statements for the year ended 31st March, 2021****27 REVENUE FROM OPERATIONS**

	(Rs in Lacs)	
	For the Year 2020-21	For the Year 2019-20
<b>(a) Sale of Products</b>		
(i) Polyethylene	105,795.68	115,668.21
(ii) Poly Vinyl Chloride	36,088.98	47,639.70
(iii) Others	13,120.30	11,161.64
<b>Total</b>	<b>155,004.96</b>	<b>174,469.55</b>

**28 OTHER INCOME**

	(Rs in Lacs)	
	For the Year 2020-21	For the Year 2019-20
(a) Interest income	31.97	89.64
(b) Exchange difference other than considered as finance cost (net)	789.56	602.57
(c) Export Incentive	433.55	139.80
(d) Unwinding of Interest on security deposit	9.65	10.89
(e) Fair Value gain or (losses) on derivatives	22.80	19.88
(f) Insurance Claim Received	49.06	58.89
(g) Profit on disposal of Investment in subsidiary	136.28	-
(h) Other Miscellaneous Income	200.20	350.70
<b>Total</b>	<b>1,673.07</b>	<b>1,272.36</b>

**29 COST OF MATERIALS CONSUMED**

	(Rs in Lacs)	
	For the Year 2020-21	For the Year 2019-20
Inventory at the beginning of the year	11,167.66	12,176.85
Add: Purchases during the year	141,778.75	149,928.80
Less: Raw Material at the end of the Year	19,182.93	11,167.66
<b>Total Cost of Material Consumed</b>	<b>133,763.49</b>	<b>150,937.99</b>
<u>Details of Raw Material Consumed</u>		
LLDPE/ LDPE	78,122.16	80,575.50
PVC Resin	23,322.13	33,940.11
Plastic Scrap	251.61	2,162.81
Other items	32,067.58	34,259.57
	<b>133,763.49</b>	<b>150,937.99</b>

**30 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE**

	(Rs in Lacs)	
	For the Year 2020-21	For the Year 2019-20
(a) Stocks at the beginning of the year Finished goods	3,707.82	3,718.60
(b) Less: Stocks at the end of the year Finished goods	3,067.83	3,707.82
<b>Total</b>	<b>639.99</b>	<b>10.77</b>

**31 EMPLOYEE BENEFITS EXPENSE**

	(Rs in Lacs)	
	For the Year 2020-21	For the Year 2019-20
(a) Salaries, Wages, Bonus and Gratuity	3,007.56	3,886.43
(b) Contribution to Provident and other funds	68.96	75.23
(c) Workmen and staff welfare expenses	78.72	103.17
<b>Total</b>	<b>3,155.24</b>	<b>4,064.84</b>

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

	(Rs in Lacs)	
	For the Year 2020-21	For the Year 2019-20
<b>32 FINANCE COSTS</b>		
(a) Interest expense		
(i) To Banks	2,618.24	3,312.94
(ii) To Others	114.00	114.00
(b) Other borrowing costs	589.95	896.70
(c) Unwinding of Interest	241.86	218.11
<b>Total</b>	<b>3,564.05</b>	<b>4,541.75</b>

	For the Year 2020-21	For the Year 2019-20
<b>33 OTHER EXPENSES</b>		
(a) Consumption of Stores and Spare Parts	124.94	307.14
(b) Power & Fuel	2,554.45	3,128.62
(c) Rent (Refer Note No. 53)	643.00	676.38
(d) Repair & Maintenance - Building	189.60	165.53
(e) Repair & Maintenance - Machinery	210.22	365.11
(f) Repair & Maintenance - Others	161.91	181.23
(g) Insurance Charges	395.51	327.22
(h) Rates & Taxes	67.74	43.43
(i) Payments to Auditors (Refer Note (i) below)	5.56	6.50
(j) Directors' Fees	3.80	4.60
(k) Bad debts / Advances Written off	1,124.23	11.65
(l) Loss on sale of fixed assets	14.03	89.18
(m) Selling & Distribution Expenses	4,351.02	5,135.22
(n) Security Charges	117.30	152.74
(o) Professional & Consultancy Charges	243.95	197.71
(p) Provision for doubtful debts	167.29	-
(q) CSR expenses (Refer Note No. 38)	96.16	50.00
(r) Miscellaneous expenses	647.01	1,148.70
<b>Total</b>	<b>11,117.73</b>	<b>11,990.96</b>

Refer Note :- (i)

**Auditors' remuneration and expenses**

Audit fees	3.87	3.35
Tax audit fees	0.65	0.65
Fees for other services	1.04	2.50
	<b>5.56</b>	<b>6.50</b>

	For the Year 2020-2021	For the Year 2019-20
<b>34 Income Tax</b>		
<b>I Income tax related to items charged or credited directly to profit or loss during the year:</b>		
<b>(a) Statement of profit and loss</b>		
(i) Current Income Tax	643.39	680.46
(ii) Deferred Tax expense/ (benefit)	144.39	(541.50)
(iii) Mat Credit Entitlement	-	(8.38)
(iv) Tax for earlier years	22.98	(178.97)
	<b>810.75</b>	<b>(48.38)</b>
<b>(b) Other Comprehensive Income</b>		
(i) Deferred Tax related to items recognised in OCI during the year:		
- Net expense/(benefit) on remeasurements of defined benefit plans	4.56	(9.27)
	<b>4.56</b>	<b>(9.27)</b>
<b>Total (a+b)</b>	<b>815.33</b>	<b>(57.65)</b>

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

(Rs in Lacs)

**II Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2021 and 31st March, 2020:**

	For the Year 2020-2021	For the Year 2019-20
Accounting profit before income tax as per Ind AS	3,194.75	2,974.10
At Income tax rate of 25.168% (31st March, 2020: 25.168%)	804.06	748.52
Tax effect of items that are not deductible for tax purpose	34.09	20.12
MAT Credit written off	-	214.46
Change in Rate Impact *	-	(882.57)
Tax for Earlier Years	22.98	(178.97)
Others	(9.87)	29.59
Tax effect of deductions under Chapter VIA of Income Tax Act, 1961	-	(6.33)
Differential Tax Impact in Subsidiaries & Associates	(35.92)	(2.47)
At the effective income tax rate	<u>815.33</u>	<u>(57.65)</u>
Income tax expense reported in the statement of profit and loss	815.33	(57.65)
Difference	-	-

**35. Other Comprehensive Income**

	For the Year 2020-2021	For the Year 2019-20
i Items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans	18.40	(26.78)
ii Income tax relating to items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans	(4.56)	9.27
<b>Total</b>	<u>13.84</u>	<u>(17.51)</u>

**OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rs. in lacs.)

**36 Contingent liabilities & Commitments**

	As at 31st March, 2021	As at 31st March, 2020
<b>A Not Provided for:-</b>		
(a) Claims against the Company not acknowledged as debts		
- Demand raised by following authorities in dispute:		
(i) Income tax matters	489.34	338.77
<b>B Bank Gurantee</b>	823.12	772.83
<b>C Capital Commitments</b>		
Estimated Value of contracts in Capital account remaining to be executed and not provided for (Net of advances)	57.87	388.28
<b>D Other Commitments</b>		
Letter of Credit	2,214.80	2,151.90

**37 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013**

The Group has complied with the provisions of the Act to the extent applicable, with respect to the loans, investments and gurantee made.

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

**38 DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

- (a) Gross amount required to be spent by the Company during the year in pursuance to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder : Rs. 70.96 lacs (PY Rs. 74.26 lacs).  
 (b) Amount unspent as at 31.3.2021 Rs. Nil (P.Y 31.3.2020 Rs. 24.26 lacs)  
 (c) Amount spent during the year 2020-21 are shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 33):

<b>Sl. No.</b>	<b>Particulars</b>	(Rs in Lacs)	
		<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
(i)	Spent during the year	96.16	50.00
(ii)	Yet to Spend	-	24.26
	<b>Total</b>	<b>96.16</b>	<b>74.26</b>

**39 DISCLOSURES AS REQUIRED BY IND AS 19, EMPLOYEE BENEFITS**

**(a) Defined contribution plans:**

	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
Contribution to defined contribution plan, recognised as expense for the year as under:		
(i) Employer's contribution to Government Provident Fund, Pension Fund & ESI	68.69	73.67
Total	68.69	73.67

**(b) Defined benefit plan:**

**Gratuity**

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Group Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India, is provided for as assets/ (liability) in the books. Actuarial gains/ (losses) for defined benefit plans are recognised in full and are immediately taken to the statement of profit and loss and Other Comprehensive Income accordingly as per Actuarial 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)	
	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>I Following information are based on report of actuary for employee benefit expenses</b>		
(A) Change in present value of the obligation during the year		
(1) Present value of obligation at year beginning	381.36	293.63
(2) Current service cost	43.76	43.87
(3) Interest cost	26.70	22.61
(4) Benefits paid	(1.76)	(3.04)
(5) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
(6) Actuarial (gain) / loss arising from changes in financial assumptions	3.42	22.32
(7) Actuarial (gain) / loss arising from changes in experience adjustments	(24.14)	1.96
(8) Present value of obligation at year end	<b>429.33</b>	<b>381.36</b>
(B) Change in fair value of plan assets during the year		
(1) Fair value of plan assets at year beginning	135.47	130.35
(2) Interest income on plan assets	9.95	9.95
(3) Expected return on plan assets other than interest income	(2.59)	(2.49)
(4) Contribution made by the Employer *	15.10	0.70
(5) Benefits paid	(1.76)	(3.04)
(6) Fair value of plan assets at year end	<b>156.17</b>	<b>135.47</b>

## Notes to the consolidated financial statements for the year ended 31st March, 2021

	(Rs in Lacs)	
	As at 31st March, 2021	As at 31st March, 2020
(C) Reconciliation of obligation and fair value of assets		
(1) Present value of the obligation at year end	429.33	381.36
(2) Fair value of plan assets at year end	156.17	135.47
(3) Funded status [surplus / (deficit)]	<u>(273.16)</u>	<u>(245.89)</u>
(D) Expense recognised in the Statement of Profit and Loss		
(1) Current service cost	43.76	43.87
(2) Interest cost	26.70	22.61
(3) Interest income on plan assets	(9.95)	(9.95)
<b>Net cost recognised in Profit or Loss</b>	<u>60.50</u>	<u>56.53</u>
(E) Recognised in Other Comprehensive Income		
(1) Expected return on plan assets other than interest income	2.59	2.49
(2) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
(3) Actuarial (gain) / loss arising from changes in financial assumptions	3.42	22.32
(4) Actuarial (gain) / loss arising from changes in experience adjustments	(24.14)	1.96
<b>Net (gain)/ loss recognised in Other Comprehensive Income</b>	<u>(18.13)</u>	<u>26.78</u>
(F) Net Defined benefit liability/(Asset) Reconciliation		
(1) Net Defined benefit liability/(Asset) at the beginning of the year	245.89	163.28
(2) Defined benefit cost included in P/L	60.50	56.53
(3) Total remeasurement included in OCI	(18.13)	26.78
(4) Employers contribution*	(15.10)	(0.70)
<b>Net Defined benefit liability/(Asset) at the end of the year</b>	<u>273.16</u>	<u>245.89</u>
<b>II Maturity profile of defined benefit obligations:</b>		
Year 1	74.97	37.90
Year 2	23.26	47.11
Year 3	20.55	23.61
Year 4	60.11	18.85
Year 5	29.47	57.35
Year 6	32.72	22.35
Year 7	25.11	31.87
Year 8	35.24	22.83
Year 9	30.82	39.98
Year 10	32.86	21.43
Above 10 years	NA	475.50
<b>Total expected payments</b>	<u>365.10</u>	<u>798.77</u>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.01 Years  
(31st March,2020: 5.19 years).

The best estimate contribution for the company during the next year would be Rs 63.90 lacs.  
(31st March,2020: Rs. 60.99 lacs).

Amount payable upon discontinuance of all employment is INR 409.77 lacs.  
(31st March,2020: Rs. 361.56lacs).

## III Experience Adjustments on Present Value of DBO and Plan Assets

	As at 31st March, 2021	As at 31st March, 2020
(Gain)/Loss on Plan Liabilities	(24.14)	1.96
% of Opening Plan Liabilities	-6.33%	0.67%
(Gain)/Loss on Plan Assets	2.59	2.49
% of Opening Plan Assets	1.91%	1.91%

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

**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.

	(Rs in Lacs)	
	As at 31st March, 2021	As at 31st March, 2020
Defined Benefit Obligation (Base)	<b>429.33</b>	381.36
(1) One percentage increase in discount rate	<b>397.19</b>	352.00
(2) One percentage decrease in discount rate	<b>466.61</b>	415.44
(3) One percentage increase in rate of salary escalation	<b>465.23</b>	414.79
(4) One percentage decrease in rate of salary escalation	<b>397.35</b>	351.71
(5) One percentage increase in rate of withdrawal rate	<b>431.44</b>	383.16
(6) One percentage decrease in rate of withdrawal rate	<b>426.85</b>	379.21

**V Actuarial Assumptions**

	As at 31st March, 2021	As at 31st March, 2020
(1) Discount rate	<b>6.90%</b>	7.00%
(2) Mortality Rate	IALM (2012-14) Table Ultimate	
(3) Salary Escalation - First 5 years	<b>6% p.a</b>	6% p.a
(4) Salary Escalation - After 5 years	<b>6% p.a</b>	6% p.a
(5) Expected Rate of Return on Plan Assets	<b>6.90%</b>	7.00%
(6) Disability Rate	<b>5% of Mortality Rate</b>	5% of Mortality Rate
(7) Retirement Age	<b>60 years</b>	60 years
(8) Average Future Service	<b>19.88</b>	20.61
(9) Withdrawal rates , based on age: (per annum)		
Up to 25 years	<b>8%</b>	8%
26 - 30 years	<b>7%</b>	7%
31 - 35 years	<b>6%</b>	6%
36 - 40 years	<b>5%</b>	5%
41 - 45 years	<b>4%</b>	4%
46 - 50 years	<b>3%</b>	3%
51 - 55 years	<b>2%</b>	2%
Above 56 years	<b>1%</b>	1%

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

(1) Equities	-	-
(2) Bonds	-	-
(3) Gilts	-	-
(4) Insurance Policies	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**40 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.

## Notes to the consolidated financial statements for the year ended 31st March, 2021

		(Rs in Lacs)	
		As at 31st March, 2021	As at 31st March, 2020
<b>(c) Geographical Information</b>			
(i)	<b>Segment revenue by location of Customers:</b>		
	India	120,049.25	147,745.84
	Overseas	34,955.71	26,723.71
	<b>Total</b>	<b>155,004.96</b>	<b>174,469.55</b>
(ii)	<b>Segment Non-current Asset by location</b>		
	India	24,486.82	25,229.84
	Overseas	-	-
	<b>Total</b>	<b>24,486.82</b>	<b>25,229.84</b>
(iii)	<b>Segment Capital Expenditure by location</b>		
	<u>India</u>		
	East	7,408.88	7,273.46
	West	16,618.09	17,426.86
	North	17.95	47.19
	<u>Overseas</u>	-	-
	<b>Total</b>	<b>24,044.92</b>	<b>24,747.52</b>

(d) The Company does not have material amount of tangible and intangible asset located outside India.

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

(f) Revenue from top four customers is Rs. 20,859.84 lacs (P.Y Rs. 20,619.28 lacs from three customers) which is more than 10% of the total revenue of the Company

## 41 DISCLOSURE ON RELATED PARTY TRANSACTIONS

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

(i)	<b><u>Name of the Related Party</u></b>	<b><u>Relationship with the Company</u></b>
	Mr. Narrindra Suranna	CEO, Chairman and Managing Director and Promoter (KMP)
	Mr. Rajesh Kumar 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 & Whole Time Director (KMP)
(ii)	<b><u>Relative of Key Management Personnel (KMP) of the Company</u></b>	<b><u>Relationship with KMP</u></b>
	<b><u>Name of the Relative</u></b>	
	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

**Notes:-**

- (a) M/s Plastic Processors and Exporter Pvt Ltd. has ceased to be the Subsidiary of the Company w.e.f. 17.12.2020 and is the subsidiary of the Holding Company.
- (b) Ddev Plastiks Industries Limited was incorporated on 07.12.2020 as Wholly Owned Subsidiary of the Company.
- (c) Kkalpana Plastic Reprocess Industries Middleeast FZE is the Wholly Owned Foreign Subsidiary of the Company.

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

(Rs in Lacs)

**(B) Disclosure of transactions with Related Parties during the year ended 31.03.2021**

<b>Nature of transactions</b>	<b>Ref. to Note</b>	<b>As at</b>	<b>As at</b>
<b>Remuneration to KMP</b>	<b>(A) above</b>	<b>31st March, 2021</b>	<b>31st March, 2020</b>
Mr Narrindra Suranna**	(i)	44.00	77.00
Mr Dev Krishna Surana	(i)	20.68	14.57
Mr Rajesh Kumar Kothari	(i)	40.00	40.00
Mr P.R. Mukherjee*	(i)	4.89	19.00
Mr I.C. Dakalia	(i)	24.41	25.02
Ms Tanvi Panday	(i)	7.89	7.74
		<b>141.86</b>	<b>183.33</b>

\*Note : Dr. PR Mukherjee resigned as Whole Time Director of the Company w.e.f. 30.06.2020

\*\*Due to Covid-19 pandemic and as Cost saving measure, Mr. Narrindra Suranna, Chairman and Managing Director had voluntarily waived part of his remuneration for the Financial Year 2020-21

**Interest Expenses**

Bbigplas Poly Pvt Ltd	(iii)	114.00	114.00
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**Rent**

Bbigplas Poly Pvt Ltd	(iii)	100.68	100.68
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**(C) Balances at the year ended 31.03.2021**

**Loan Taken & Outstanding**

Bbigplas Poly Pvt Ltd*	(iii)	2,296.68	2,195.21
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\*(Note- After giving effect of IND AS)

**Interest Payable**

Bbigplas Poly Pvt Ltd	(iii)	-	74.10
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**42 FAIR VALUE MEASUREMENT**

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

The following methods and assumptions were used to estimate the fair values:

- (1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables , other current liabilities, short-term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments.
- (2) Financial instruments with fixed and variable interest rate are evaluated by the Company based on parameter such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

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

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

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

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



**Notes to the consolidated financial statements for the year ended 31st March, 2021**

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, 2021**

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
<b>(1) Financial Assets</b>					
<b>Financial Assets at amortised cost</b>					
Trade Receivables	28,026.13	28,026.13	-	-	28,026.13
Other Financial assets excluding derivative financial instruments	546.79	546.79	-	-	546.79
Cash & cash equivalents	795.06	795.06	-	-	795.06
	<u>29,367.98</u>	<u>29,367.98</u>	<u>-</u>	<u>-</u>	<u>29,367.98</u>
<b>Financial Assets at cost</b>					
<u>Investments in equity shares</u>					
<u>Associate -</u>					
Kkalpana Plastick Limited	245.51	65.70	65.70	-	-
	<u>245.51</u>	<u>65.70</u>	<u>65.70</u>	<u>-</u>	<u>-</u>
<b>Financial Asset at fair value through profit or loss</b>					
Derivative financial instruments	22.80	22.80	-	22.80	-
<u>Investment in Equity Shares - Quoted</u>					
Bank of Baroda	-	-	-	-	-
Nicco Corporation Ltd.	-	-	-	-	-
<u>Investment in Equity Shares - Unquoted</u>					
Panchawati Holiday Resorts Ltd.	-	-	-	-	-
<b>Assets for which fair values are disclosed</b>					
Investment Property (Refer Note No. 6 (b))	-	-	-	-	-
<b>Total</b>	<u>29,636.30</u>	<u>29,456.48</u>	<u>65.70</u>	<u>22.80</u>	<u>29,367.98</u>
<b>(2) Financial Liability</b>					
<b>Financial Liabilities at amortised cost</b>					
Borrowings from Banks and Financial Institutions	10,875.61	10,875.61	-	-	10,875.61
Financial Lease liability	79.40	79.40	-	-	79.40
Trade Payables	31,972.38	31,972.38	-	-	31,972.38
Other Financial liabilities excluding derivative financial instruments	578.70	578.70	-	-	578.70
Total	<u>43,506.09</u>	<u>43,506.09</u>	<u>-</u>	<u>-</u>	<u>43,506.09</u>
Total	<u>43,506.09</u>	<u>43,506.09</u>	<u>-</u>	<u>-</u>	<u>43,506.09</u>

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

(b) 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
		<u>24,930.14</u>	<u>24,930.14</u>	<u>-</u>	<u>-</u>	<u>24,930.14</u>
	Financial Assets at cost					
	<u>Investments in equity shares</u>					
	<u>Associate -</u>					
	Kkalpana Plastick Limited	241.75	44.06	44.06	-	-
		<u>241.75</u>	<u>44.06</u>	<u>44.06</u>	<u>-</u>	<u>-</u>
	Financial Asset at fair value through profit or loss					
	Derivative financial instruments	19.88	19.88	-	19.88	-
	<u>Investment in Equity Shares - Quoted</u>					
	Bank of Baroda	-	-	-	-	-
	Nicco Corporation Ltd.	-	-	-	-	-
	<u>Investment in Equity Shares - Unquoted</u>					
	Panchawati Holiday Resorts Ltd.	-	-	-	-	-
	Assets for which fair values are disclosed					
	Investment Property (Refer Note No. 6 (b))	-	-	-	-	-
	<b>Total</b>	<u>25,191.76</u>	<u>24,994.08</u>	<u>44.06</u>	<u>19.88</u>	<u>24,930.14</u>
(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
	<b>Total</b>	<u>32,320.18</u>	<u>32,320.18</u>	<u>-</u>	<u>-</u>	<u>32,320.18</u>
	<b>Total</b>	<u>32,320.18</u>	<u>32,320.18</u>	<u>-</u>	<u>-</u>	<u>32,320.18</u>

(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

**Notes to the consolidated financial statements for the year ended 31st March, 2021****43 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**

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

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

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

**A. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Interest rate risk, Currency risk and Commodity price risk. Financial instruments affected by market risk include investments and deposits, foreign currency receivables, payables, loans and borrowings and derivative financial instruments.

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

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

**Interest rate sensitivity**

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

	(Rs in Lacs)	
	2020-21	2019-20
	(+/-) 50	(+/-) 50
	Basis Points	Basis Points
<b>Effect on profit before tax due to interest rate sensitivity</b>	<b>32.08</b>	29.20

**(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.

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

Foreign Currency Exposure		As at 31st March, 2021		As at 31st March, 2020	
		Foreign Currency	Functional Currency (Rs. in lacs.)	Foreign Currency	Functional Currency (Rs. in lacs.)
<b>I Hedged</b>					
Forward contracts for Imports/ loans	USD	-	-	4,000,000	3,031.42
Option contracts for Imports	USD	250,000	181.45	-	-
Forward contracts for Exports	USD	5,000,000	3,710.32	-	-
Option contracts for Exports	USD	250,000	181.45	-	-
			-		
<b>II Not hedged</b>					
Trade receivables	USD	3,624,368	2,631.30	3,843,963	2,897.96
	EURO	1,898,727	1,634.78	1,650,552	1,370.78
					-
Cash and Cash Equivalents	USD	108,900	80.04	524,427	395.34
	EURO	33,580	28.91	-	-
Trade payables	USD	4,973,114	3,657.78	-	-
	EURO	258,761	222.79	101,512	84.30
	CHF	13,046	10.17	-	-
Advance to Supplier	CHF	-	-	53,292	41.77
Foreign currency loan	USD	-	-	-	-
availed under buyers' credit	EURO	-	-	219,780	182.53
<b>Net Unhedged Portion</b>					
Trade receivables	USD	-	-	4,368,390.51	3,293.31
	EURO	1,673,545	1,440.91	1,329,260.40	1,103.95
Trade payables	CHF	13,046	10.17	53,292	41.77
	USD	1,239,846	946.44		

**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.

	2020-21 (+/-) 5%	2019-20 (+/-) 5%
<b>Effect on profit before tax</b>		
USD	(45.57)	164.67
Euro	72.05	55.20
CHF	(0.51)	2.09
	<b>25.97</b>	<b>221.95</b>

**Derivative Financial Instrument**

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

## Notes to the consolidated financial statements for the year ended 31st March, 2021

	As at 31st March, 2021		As at 31st March, 2020	
	Foreign Currency	Fair Value as on 31.03.2021 (Rs.)	Foreign Currency	Fair Value as on 31.03.2020 (Rs.)
Derivatives not designated as hedges				
Forward Contracts	USD EURO	5,000,000 -	4,000,000 -	3,051.30 -
Option Contracts	USD	500,000	-	-
Mark to Market (Gain)/loss in Forward Contract		(22.80)		(19.88)

## (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.

	(Rs in Lacs)	
	As at 31st March, 2021	As at 31st March, 2020
Less than 6 months	24,281.27	18,541.13
6 to 12 months	2,366.51	2,040.80
more than 12 months	1,545.64	2,937.07
<b>Total</b>	<b>28,193.42</b>	<b>23,519.00</b>

## (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.

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

**C. Liquidity Risk**

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

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

	(Rs in Lacs)			
	Less than 1 year	1 to 5 years	> 5 years	Total
<b>31st March, 2021</b>				
Borrowings				
Term Loans from Banks	-	-	-	-
Long Term Loans from Others	-	-	2,296.68	2,296.68
Vehicle Loan	17.16	10.12	-	27.28
Cash credit from Banks	1,382.66	-	-	1,382.66
Buyers credit from Banks	-	-	-	-
WCDL from Bank	7,169.00	-	-	7,169.00
Other Financial Liabilities other than current maturities of borrowings and lease obligation	557.88	-	-	557.88
Trade Payables	31,972.38	-	-	31,972.38
Finance Lease liability	20.82	58.58	-	79.40
	<b>41,119.91</b>	<b>68.69</b>	<b>2,296.68</b>	<b>43,485.28</b>
<b>31st March, 2020</b>				
Borrowings				
Term Loans from Banks	1,669.57	1,366.04	-	3,035.61
Long Term Loans from Others	-	2,195.21	-	2,195.21
Vehicle Loan	34.78	27.56	-	62.34
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
	<b>28,731.36</b>	<b>3,588.81</b>	<b>-</b>	<b>32,320.18</b>

**44 CAPITAL MANAGEMENT**

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

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

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

	(Rs in Lacs)	
	As at 31st March, 2021	As at 31st March, 2020
Borrowings	10,924.28	11,994.85
Less: Current investments	-	-
Less: Cash and cash equivalents	795.06	1,519.75
<b>(a) Net Debt</b>	<b>10,129.22</b>	<b>10,475.10</b>
<b>(b) Equity</b>	<b>36,769.90</b>	<b>34,506.36</b>
<b>(c) Equity and Net Debt (a+b)</b>	<b>46,899.12</b>	<b>44,981.46</b>
<b>Gearing Ratio (a/c)</b>	<b>21.60%</b>	<b>23.29%</b>

## Notes to the consolidated financial statements for the year ended 31st March, 2021

### B. Proposed Dividend

The Board of directors in its Board meeting held on 31st May, 2021 have recommended the payment of a final dividend of Rs 0.20 paise per fully paid up equity share (March 31, 2020 - Rs 0.12 paise), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

### 45 NET - DEBT RECONCILIATION

Particulars	(Rs in Lacs)			
	As at		As at	
	31st March, 2021		31st March, 2020	
	Long term Borrowings	Short term borrowings	Long term Borrowings	Short term borrowings
Opening Net Debt	3,697.77	6,592.73	5,288.88	8,682.61
(Proceeds)/Repayment of Borrowings (Net)	1,523.49	(1,976.08)	1,659.16	2,089.87
Interest Expenses (including unwinding of Interest)	562.12	3,563.97	768.62	3,772.12
Interest Paid	398.10	3,563.97	700.57	3,772.12
Closing Net Debt	2,338.30	8,568.82	3,697.77	6,592.73

### 46 EARNING PER SHARE (EPS)

		As at 31st March, 2021	As at 31st March, 2020
(a) Face value of equity shares	Rs. In INR	2.00	2.00
(b) Profit attributable to equity shareholders	(Rs. in lacs)	2,383.99	3,022.48
(c) Weighted average number of equity shares outstanding	Nos.	94,072,930	94,072,930
(d) Weighted average Earning Per Share (Basic and Diluted)	Rs. In INR	2.53	3.21

### 47 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:-

	As at 31st March, 2021	As at 31st March, 2020
(a) Revenue expenditure charged to Statement of Profit and Loss		
Other Expenses	18.43	29.21
(b) Capital expenditure shown under fixed assets schedule	10.25	25.93
Grand Total	28.69	55.13

### 48 ASSETS PLEDGED AS SECURITY

	(Rs in Lacs)	
	As at 31st March, 2021	As at 31st March, 2020

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

#### A. Current

<u>Financial Assets</u>		
Trade Receivables	28,026.13	23,519.00
Other Current Assets	7,956.63	5,601.62
Cash and Cash Equivalents	774.81	1,519.75
<u>Non Financial Assets</u>		
Inventories	22,864.13	15,228.77
Total Current Assets Pledged as Security	59,621.70	45,869.14

#### B. Non Current

Movable and immovable properties located at Surangi Unit	13,322.07	14,001.12
Movable and immovable properties located at Daman Unit	1,791.87	1,889.95
Movable and immovable properties located at Silvassa Unit	1,486.13	1,516.48
Movable and immovable properties located at Bhasa Unit	539.22	575.04
Movable and immovable properties located at Dhulagarh Unit	3,368.53	3,464.44

Notes -

- Working Capital facilities (fund based and non fund based limits) are secured by 1st pari passu charge by way of hypothecation over entire current assets, stock and trade receivables of the company both present and future and lien on fixed deposit of INR 1.35 crores and 2nd pari passu charge by way of equitable mortgage over all present and future movable and immovable properties except immovable assets of Dankuni & Falta.

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

**49 VALUE OF IMPORTED AND INDEGENEOUS MATERIAL CONSUMED** (Rs in Lacs)

Particulars	As at	%age of	As at	%age of
	31st March, 2021	Total Con- sumption	31st March, 2020	Total Con- sumption
<b>Raw Materials</b>				
i Imported	31,711.50	24%	50,903.48	34%
ii Indegeneous	102,051.99	76%	1,00,034.50	66%
<b>Total</b>	<b>133,763.49</b>	<b>100%</b>	<b>1,50,937.99</b>	<b>100%</b>
<b>Store, Spare parts and Components*</b>				
i Imported	146.89	45%	164.88	23%
ii Indegeneous	176.76	55%	561.06	77%
<b>Total</b>	<b>323.65</b>	<b>100%</b>	<b>725.94</b>	<b>100%</b>

\*Note :- The Consumption of store, spare parts and components includes direct store consumption shown separately in Note -33 and it also includes indirect consumption in various other expenses head such as Repair and maintenance etc.

**50 VALUE OF IMPORTS ON CIF BASIS**

Particulars	(Rs in Lacs)	
	As at 31st March, 2021	As at 31st March, 2020
Raw Materials	32,102.93	51,254.39
Stors, Spare parts and Components	146.89	164.88
Capital Goods	106.17	49.34
<b>Total</b>	<b>32,355.99</b>	<b>51,468.60</b>

**51 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)**

Particulars	(Rs in Lacs)	
	As at 31st March, 2021	As at 31st March, 2020
Exports at FOB Value	34,955.71	26,723.71
<b>Total</b>	<b>34,955.71</b>	<b>26,723.71</b>

**52 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)**

Particulars	(Rs in Lacs)	
	As at 31st March, 2021	As at 31st March, 2020
Travelling	19.05	33.16
Interest	20.51	30.72
Other Matters	751.55	808.26
<b>Total</b>	<b>791.11</b>	<b>872.14</b>

**53 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, 2021

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, machinery 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. Lease liabilities were measured at the present value of remaining lease payments, discounted at the Company's actuarial discounting rate. Right to Use is measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

**Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:**

Particulars	(Rs. in lacs.)
	Total
<b>Balance as at 31st March 2020 (Gross)</b>	-
Additions for the year	93.43
<b>Balance as at 31st March 2021 (Gross)</b>	<b>93.43</b>
<b>Accumulated Amortisation as at 31st March 2020</b>	-
Amortisation for the year	10.90
<b>Accumulated Amortisation as at 31st March 2021</b>	<b>10.90</b>
Net Balance as at 31st March 2021	82.53
Net Balance as at 31st March 2020	-

**Following is the movement in lease liabilities during the year ended March 31, 2021**

Particulars	(Rs. in lacs.)
<b>Balance as at 31st March 2020</b>	-
Additions during the year	92.19
Interest accrued during the year	0.39
Deletions	-
Payment of Lease Liabilities	13.18
<b>Balance as at 31st March 2021</b>	<b>79.40</b>
- Current lease liabilities	20.82
- Non Current lease liabilities	58.58

**Break up of Contractual maturities of Lease Liabilities as at March 31, 2021 on an undiscounted basis**

Particulars	(Rs. in lacs.)
Less than 1 year	23.03
One to Five year	78.68

**Short-term leases expenses incurred for the year ended 31st March, 2021:**

Particulars	Year Ended	Year Ended
	31st March	31st March
	2021	2020
	(Amount in	(Amount in
	lacs.)	lacs.)
Rental expense	<b>643.00</b>	676.38

### 54 IMPACT OF COVID-19

The year ended March 31, 2021 was unprecedented due to the spread of Coronavirus pandemic across the globe, impacting all the geographies of our operations in the early months of the period. As per our current assessment, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, other investments and other financial assets is expected, and we continue to monitor changes in future economic conditions.

**Notes to the consolidated financial statements for the year ended 31st March, 2021**

**55** The Board of Directors of the Company, at its meeting held on 11th December, 2020 had considered and approved a draft Composite Scheme of Arrangement ('Scheme') between Kkalpana Industries (India) Ltd. ('the Demerged Company') and Ddev Plastiks Industries Ltd. ('the Resulting Company'), a wholly owned subsidiary of the Company, to demerge the compounding unit of the Company to the Resulting Company, subject to necessary approvals from the concerned authorities, with effect from 1st April 2021 as the Appointed Date. The Company is in the process of obtaining approvals from the concerned authorities. Pending such necessary regulatory approvals and other compliances, no adjustments have been made in the books of account and in the accompanying results.

**56 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, 2021.

**57** 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

S K Mukherjee  
Partner  
Membership No.006601  
Date : 31st May, 2021  
Place : Kolkata

**Narrindra Suranna**  
**(DIN: 00060127)**  
Chairman and Managing Director

**Tanvi Panday**  
**(Membership No. ACS 31176)**  
Company Secretary

For and on behalf of Board of Directors

**Rajesh Kumar Kothari**  
**(DIN: 02168932)**  
Whole Time Director

**Indar Chand Dakalia**  
Chief Financial Officer