# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF KKALPANA INDUSTRIES (INDIA) LIMITED**

**Report on the Audit of the 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 March 31 2023, the Statement of Profit & Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 the 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 March 31, 2023, its profits (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit 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 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matters | Auditor's Response |
|---|---|
| **Inventory- existence and valuation as per Ind As 2**<br><br>Refer to note 12 to the standalone financial statements. The Company is having the Inventories of Rs.**787.84 lacs** as on 31st March 2023. As described in the accounting policies in 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**.** | We have obtained assurance over the appropriateness<br><br>of the management's assumptions applied in calculating the value of the inventories and related provisions<br><br>and management assertion regarding existence<br><br>and ownership by:-<br><br>a) Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.<br><br>b) Preforming procedures to ensure that the changes in inventory between the last verification date and date of the balance sheet are properly recorded (Roll forward procedures). |

| Key Audit Matters | Auditor's Response |
|---|---|
| | c) Verifying for a sample of individual products that costs have been correctly recorded.<br>d) Assessed the design and tested the operating effectiveness of Internal Control with related to Inventory.<br>e) We also discussed with the management the methodology and assumptions used in the valuation of Inventory<br>f) We have reviewed the historical accuracy of inventory provisioning and the level of inventory write-offs during the financial year.<br>g) Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision.<br>h) Performing substantive analytical procedures to test the correctness of inventory existence and valuation.<br>i) Testing the accuracy of inventory reconciliations with the general ledger at period end, including test of reconciling items.<br>The procedures performed gave us sufficient evidence to conclude about the inventory existence and valuation. |
| **Revenue Recognition as per Ind As 115**<br>Refer to note 3 (Significant Accounting policies)<br>And note 30 (Revenue from operations) of the financial statements.<br>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, and pricing allowances to customers (collectively 'trade spends').<br>We identified revenue recognition as the key audit matter as revenue is significant to the financial statements owing to its large volume and results in greater audit effort to address the matter. | **Our audit procedures included:**<br>a) We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.<br>b) 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.<br>c) 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).<br>d) We carried out analytical procedures on revenue recognised during the year to identify unusual variances.<br>e) 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. Based on the above procedures performed, no significant exception was noted by us in the revenue recognised by the company during the year. |

**Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include financial statements and our auditors' report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatement of the 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.

b. Obtain an understanding of internal 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 controls system in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. 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 Company'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 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 Company to cease to continue as a going concern.

e. Evaluate the overall presentation, structure and content of the 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 financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 for the financial year ended March 31, 2023 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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "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, we report that:

   i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.

   ii. 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.

   iii. The Balance Sheet, Statement of Profit & Loss (including other comprehensive income), Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   iv. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

   v. On the basis of written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act.

   vi. With respect to the adequacy of the internal financial controls with reference to the financial statement of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

   vii. 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, during the year the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act . The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

viii. 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 litigation of 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the ultimate Beneficiaries; and

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv) (a) and (iv) (b) contain any material misstatement.

(ix) The company has not declared or paid any dividend during the year.

(x) Since requirement of maintenance of accounting software which has a feature of audit trail under Rule 3 of the Companies (Accounts) Rules,2014 has been deferred from financial years commencing from 01 April 2022 to financial year commencing from 01 April 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

**For B. Chakrabarti & Associates,**
***Chartered Accountants***
**Firm Registration No : 305048E**

**Dipankar Chakravarti**
**(Partner)**
**Membership No: 053402**
**UDIN: : 23053402BGPYVP3368**
**Place :- Kolkata**
**Date:- 19th Day of May, 2023**

## ANNEXURE ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Kkalpana Industries (India) Ltd 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 Property, Plant and Equipment and The Company has maintained proper records showing full particulars of intangible assets.

b) 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 a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

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 Company. In respect of immovable and movable properties that have been taken on lease and disclosed in the financial statement as right- of use assets as at the balance sheet date, the lease agreements are duly executed in favour of the Company.

d) According to the information and explanations given to us and on the basis of our examination of the records the Company has not revalued any of its property, plant and equipment (including Right of use assets) and intangible assets during the year.

e) No proceeding have been initiated during the year or are pending against the Company as at 31 March 2023 for holding ant benami property under the Benami Transaction (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

II. As per the information and explanations given to us:

a) The management has conducted physical verification of inventory (excluding inventories in transit) at reasonable intervals during the year and discrepancies of 10% or more in aggregate for each class of inventory were not noticed on physical verification, in our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.

b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of `Rs. 5 crores, in aggregate, from bank on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising of value of closing stock of inventory, receivables and payables filed by the Company with such bank are in agreement with the audited books of account of the Company of the respective quarters.

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 not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has not made investments in companies and granted secured and unsecured loans to companies and other parties. The Company has not made any investments in or granted any loans, secured or unsecured, to firms and limited liability partnership. . Accordingly, clause 3 (a),(b),(c),(d),(f) of the Order is not applicable to the Company.

e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

IV. According to the information and explanations given to us and on the basis of our examination of records of the Co, provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

V. According to information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is 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. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

VII. According to the information and explanations given to us and on the basis of our examination of the records of the Company:

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax,duty of Customs, duty of Excise, value added tax and cess and any other statutory dues to appropriate authority have generally been regularly deposited during the year by the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess and other statutory dues were in arrears, as at March 31, 2023 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and the records of the company examined by us as at 31st March 2023, there are no dues of Goods and service Tax or sales Tax or customs duty or excise duty. Details of dues of Income Tax which has not been deposited as on 31st March 2023 on account of dispute are given below:

| Name of the statute | Nature of the Dues | Amount (Rs.in lacs) | Period to which the amount relates (Assessment Year) | Forums where the dispute is pending |
|---|---|---|---|---|
| Income Tax Act 1961 | Income Tax | 167.74 | 2012-13 | CIT (A) |
| Income Tax Act 1961 | Income Tax | 131.31 | 2011-12 | CIT (A) |
| Income Tax Act 1961 | Income Tax | 153.16 | 2010-11 | CIT (A) |
| Income Tax Act 1961 | Income Tax | 753.88 | 2016-17 | CIT (A) |

VIII. 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 not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act,1961 as income during the year.

IX. According to the information and explanations given to us and :

a) On the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) On the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

c) On the basis of our examination of the records of the Company, the Company has not raised Term Loan during the year.

d) On the basis of our examination of the records of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or joint venture.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary or joint venture.

g) 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 not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.

h) 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.

X. To the best of our knowledge:

a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) To the best of our knowledge, no report under subsection (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

XI. 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.

XII. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

XIII. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business. We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31st March, 2023.

XIV. In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company, subsidiary company, or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

XV. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) & (d) of the Order is not applicable.

XVI. The Company has not incurred any cash losses during the current financial year covered by our audit and immediately preceding financial.

XVII. During the year, there has been a resignation of the statutory auditors and there were no issues, objections or concerns raised by the outgoing auditors.

XVIII. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XiX. Based on the information and explanations given to us, the provision of Sec 135 of Companies Act 2013 is not applicable to the company and accordingly the requirement to report on clause 3(xx) of order is not applicable.

**For B. Chakrabarti & Associates,**
***Chartered Accountants***
**Firm Registration No : 305048E**

**Dipankar Chakravarti**
**(Partner)**
**Membership No: 053402**
**UDIN: : 23053402BGPYVP3368**
**Place :- Kolkata**
**Date:- 19th Day of May, 2023**

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (vi) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kkalpana Industries (India) Ltd of even date)

**Report on the Internal Financial Controls with reference to financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statement of Kkalpana Industries (India) Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement 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 (Guidance Note) 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 respective 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 internal financial controls with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statement 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 with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, 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 with reference to financial statement.

**Meaning of Internal Financial Controls with reference to Financial Statement**

A company's internal financial control with reference to financial statement 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 with reference to financial statement includes those policies and procedures that 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.

**Limitations of Internal Financial Controls with reference to Financial Statement**

Because of the inherent limitations of internal financial controls with reference to financial statement, 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 with reference to financial statement to future periods are subject to the risk that the internal financial control with reference to financial statement 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2023, based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

**For B. Chakrabarti & Associates,**
***Chartered Accountants***
**Firm Registration No : 305048E**

**Dipankar Chakravarti**
**(Partner)**
**Membership No: 053402**
**UDIN: : 23053402BGPYVP3368**
**Place :- Kolkata**
**Date:- 19th Day of May, 2023**

## AUDITED BALANCE SHEET AS AT 31st MARCH, 2023

(Rs. In Lacs)

| | Note No. | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **A ASSETS** | | | |
| **1 Non-current Assets** | | | |
| Property, Plant and Equipment | 4 | 2,711.66 | 2,657.70 |
| Capital Work-in progress | 5 | - | 9.49 |
| Investment Property | 6 | 1,281.68 | 1,281.68 |
| Other Intangible Assets | 7 | 0.02 | 0.08 |
| Right of Use - Lease | 8 | 700.68 | 455.67 |
| Financial Assets | | | |
| (i) Investments | 9 | 309.12 | 287.63 |
| (ii) Other Financial Assets | 10 | 90.93 | 48.31 |
| Other Non-Current Assets | 11 | 11.25 | 10.67 |
| | | **5,105.35** | **4,751.22** |
| **2 Current Assets** | | | |
| Inventories | 12 | 787.84 | 776.85 |
| Financial Assets | | | |
| (ii) Trade Receivables | 13 | 1,512.55 | 832.51 |
| (iii) Cash & Cash Equivalents | 14 | 1,076.35 | 23.13 |
| (iv) Other Financial Assets | 10 | 270.66 | 461.61 |
| Current Tax Assets (net) | 15 | 146.67 | - |
| Other Current Assets | 16 | 800.28 | 384.02 |
| | | **4,594.35** | **2,478.12** |
| **Total** | | **9,699.70** | **7,229.34** |
| **B EQUITY & LIABILITIES** | | | |
| **1 Equity** | | | |
| Equity Share Capital | 17 | 1,881.46 | 1,881.46 |
| Other Equity | 18 | 1,688.01 | 1,482.47 |
| | | **3,569.47** | **3,363.93** |
| **2 Non Current Liabilities** | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 19 | 4,613.00 | 1,867.50 |
| (ii) Finance Lease Liability | 20 | 240.98 | 340.72 |
| Deferred Tax Liabilities (net) | 21 | 139.18 | 122.11 |
| **3 Current Liabilities** | | **4,993.16** | **2,330.33** |
| Financial Liabilities | | | |
| (ii) Lease Liability | 20 | 95.55 | 98.10 |
| (iii) Trade Payables | 22 | | |
| - Micro & Small Enterprises | | 8.60 | 6.82 |
| - Others | | 98.76 | 257.24 |
| (iv) Other Financial Liabilities | 23 | 127.39 | 456.29 |
| Other Current Liabilities | 24 | 785.03 | 568.83 |
| Provisions | 25 | 21.74 | 42.16 |
| Current Tax Liabilities (net) | 26 | - | 105.63 |
| | | **1,137.07** | **1,535.07** |
| **Total** | | **9,699.70** | **7,229.34** |
| 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. Chakrabarti & Associates**
Chartered Accountants
Firm Registration No:305048E

Dipankar Chakravarti
Partner
Membership No.053402
Date : 19th May, 2023
Place : Kolkata

For and on behalf of Board of Directors

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

**Pranab Ranjan Mukherjee**
**(DIN: 00240758)**
Whole Time Director

**Ankita Karnani**
**(Membership No. ACS 33634)**
Company Secretary

**Indar Chand Dakalia**
Chief Financial Officer

## AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

(Rs. In Lacs)

| | | Note No. | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|---|
| I | **INCOME** | | | |
| | Revenue from Operations | 27 | 27,220.64 | 4,016.15 |
| | Other Income | 28 | 1,497.06 | 631.13 |
| | **Total Income** | | **28,717.70** | **4,647.28** |
| II | **EXPENSES** | | | |
| | Cost of Materials Consumed | 29 | 26,318.70 | 2,739.87 |
| | Changes in Inventories of Finished Goods & Work-in-Progress & Stock-in-Trade | 30 | (179.21) | (187.09) |
| | Employee Benefits Expense | 31 | 391.09 | 399.54 |
| | Finance Costs | 32 | 558.56 | 33.57 |
| | Depreciation & Amortization Expense | 4-7 | 245.62 | 294.65 |
| | Other Expenses | 33 | 1,142.37 | 1,079.12 |
| | **Total Expenses** | | **28,477.13** | **4,359.67** |
| III | **PROFIT BEFORE EXCEPTIONAL ITEMS & TAXATION** | | | |
| | Exceptional items | | - | - |
| IV | **PROFIT BEFORE TAX** | | **240.57** | **287.61** |
| | Tax expense | 34 | | |
| | Current tax | | 22.91 | 91.89 |
| | Deferred tax | | 11.86 | (156.31) |
| | Tax for earlier years | | 15.74 | (177.91) |
| | **Total Tax expense** | | **50.50** | **(242.32)** |
| V | **PROFIT FOR THE YEAR AFTER TAX** | | **190.06** | **529.93** |
| VI | **OTHER COMPREHENSIVE INCOME** | 35 | | |
| | i Items that will not be classified to profit and loss | | 20.68 | (0.66) |
| | ii Income tax relating to items that will not be classified to profit and loss | | (5.20) | 0.17 |
| | **Total Other Comprehensive Income For The Year** | | **15.47** | **(0.49)** |
| VII | **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **205.53** | **529.44** |
| | **EARNING PER EQUITY SHARE** | | | |
| | (Face value of Rs 2/- each) | | | |
| | Basic (Rs.) | | **0.20** | **0.56** |
| | Diluted (Rs.) | | **0.20** | **0.56** |
| | 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. Chakrabarti & Associates**
Chartered Accountants
Firm Registration No:305048E

Dipankar Chakravarti
Partner
Membership No.053402
Date : 19th May, 2023
Place : Kolkata

For and on behalf of Board of Directors

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

**Pranab Ranjan Mukherjee**
**(DIN: 00240758)**
Whole Time Director

**Ankita Karnani**
**(Membership No. ACS 33634)**
Company Secretary

**Indar Chand Dakalia**
Chief Financial Officer

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH 2023

(Rs. In Lacs)

| Particulars | STANDALONE | | | |
|---|---|---|---|---|
| | 2022-23 (Audited) | | 2021-22 (Audited) | |
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| Profit before tax from continuing operations | | **240.57** | | **287.61** |
| Adjustment for: | | | | |
| Depreciation & amortization expense | 245.62 | | 294.65 | |
| Loss/(Profit) on sale of fixed assets | (0.54) | | - | |
| Unwinding of Interest on security deposit | (2.58) | | (1.98) | |
| Finance cost | 558.56 | | 33.57 | |
| Interest income | (15.27) | | - | |
| Interest on Lease Liability | 20.68 | | (0.66) | |
| Other comprehensive income | (3.04) | | - | |
| Notional rent on Security deposit | - | | 1.45 | |
| | | **803.43** | | 327.03 |
| **Operating profit before Working Capital changes** | | **1,044.00** | | 614.64 |
| Adjustments for Working Capital changes | | | | |
| Decrease/(increase) in non current financial assets | | | | |
| Other financial assets | 17.68 | | (60.34) | |
| Decrease/(increase) in other non current assets | (0.59) | | (10.58) | |
| Decrease/(increase) in inventories | (10.99) | | (727.91) | |
| Trade receivables | (680.04) | | 247.03 | |
| Loans | - | | 8.00 | |
| Other financial assets | 201.60 | | (293.22) | |
| Decrease/(increase) in other current assets | (416.25) | | (304.82) | |
| Increase/(decrease) in non current provisions | - | | (1.97) | |
| Trade payables | (153.67) | | 279.15 | |
| Other financial liabilities | (323.07) | | 477.10 | |
| Increase/(decrease) in other current liabilities | 216.21 | | 550.99 | |
| Increase/(decrease) in short term provisions | (20.42) | | 38.02 | |
| | | **(1,169.54)** | | 201.45 |
| **Cash generated from operations** | | **(125.54)** | | 816.09 |
| (Tax paid) / refund received (net) | | **(290.95)** | | **(320.56)** |
| **Net cash from operating activities** | | **(416.49)** | | 495.53 |

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH 2023

(Rs. In Lacs)

| Particulars | STANDALONE | | | |
|---|---|---|---|---|
| | 2022-23 (Audited) | | 2021-22 (Audited) | |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Purchase of Property, Plant and Equipment, CWIP and Intangible assets | (171.61) | | (441.99) | |
| Sale proceeds of Property, Plant and Equipment | 13.01 | | - | |
| Increase/(decrease) in Right of Use Assets | (375.90) | | | |
| Interest receipt on investments | 4.62 | | - | |
| Increase in investment in Term deposit | (57.73) | | - | |
| Purchase of investments | (22.50) | | (52.36) | |
| Sale proceeds of investments | 1.00 | | - | |
| **Net cash generated / (used) from investing activities** | | **(609.11)** | | (494.35) |
| **C. CASHFLOW FROM FINANCING ACTIVITIES** | | | | |
| Other Proceeds | - | | 214.00 | |
| Proceeds from long term borrowings | 2,745.50 | | - | |
| Payment of Lease Liability | (107.03) | | (13.00) | |
| Dividend paid | - | | (188.15) | |
| Finance cost | (559.66) | | (16.57) | |
| **Net cash from financing activities** | | **2,078.81** | | (3.72) |
| **Net changes in Cash and Bank balances** | | **1,053.21** | | (2.54) |
| **Net Increase / (-) Decrease in Cash and Bank balances** | | | | |
| Balance at the end of the year | | **1,076.35** | | **23.13** |
| Balance at the beginning of the year | | 23.13 | | 774.81 |
| Less: Amount adjusted pursuant to scheme of arrangement | | - | | (749.15) |
| Adjusted Balance at the beginning of Year | | **23.13** | | 25.67 |
| **Net changes in Cash and Bank balances** | | **1,053.21** | | **(2.54)** |

**For B. Chakrabarti & Associates**
Chartered Accountants
Firm Registration No:305048E

Dipankar Chakravarti
Partner
Membership No.053402
Date : 19th May, 2023
Place : Kolkata

For and on behalf of Board of Directors

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

**Pranab Ranjan Mukherjee**
**(DIN: 00240758)**
Whole Time Director

**Ankita Karnani**
**(Membership No. ACS 33634)**
Company Secretary

**Indar Chand Dakalia**
Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2023

*(Rs. In Lacs)*

**A. EQUITY SHARE CAPITAL (Refer Note No. 17)**

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Balance at the year beginning** | **1,881.46** | 1,881.46 |
| Changes in equity share capital during the year | - | - |
| **Balance at the year end** | **1,881.46** | 1,881.46 |

**B. OTHER EQUITY (Refer Note No. 18)**

**For the year ended 31st March, 2023**

| 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, 2022** | - | - | - | 1,524.63 | (42.16) | 1,482.47 |
| **Add : For the Year** | - | - | - | 190.07 | 15.47 | 205.54 |
| **Balance as at 31st March, 2023** | - | - | - | 1,714.70 | (26.69) | 1,688.01 |

For the year ended 31st March, 2022

| 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, 2021 | 852.96 | 5,322.45 | 3,400.00 | 25,354.70 | (41.67) | 34,888.44 |
| Add: Amount adjusted pursuant to scheme of arrangement | (852.96) | (5,322.45) | (3,400.00) | (24,170.86) | - | (33,746.27) |
| Add: Investment amount adjusted pursuant to scheme of arrangement | - | - | - | (1.00) | - | (1.00) |
| Add : For the Year | | | | 529.94 | (0.49) | 529.45 |
| Less: Equity Dividend for the year 2020-21 | | | | (188.15) | | (188.15) |
| Balance as at 31st March, 2022 | - | - | - | 1,524.63 | (42.16) | 1,482.47 |

The accompanying notes form an integral part of the financial statements

**For B. Chakrabarti & Associates**
Chartered Accountants
Firm Registration No:305048E

Dipankar Chakravarti
Partner
Membership No.053402
Date : 19th May, 2023
Place : Kolkata

For and on behalf of Board of Directors

**Narrindra Suranna**
**(DIN: 00060127)**
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Whole Time Director

**Ankita Karnani**
**(Membership No. ACS 33634)**
Company Secretary

**Indar Chand Dakalia**
Chief Financial Officer

# Notes to the financial statements for the year ended 31st March, 2023

## 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 B K Market, 16A Shakespeare Sarani, 4th Floor, Room No. 3, Kolkata - 700071. The Company is engaged in the business of different grades of Plastic Granules.

The financial statements of the Company for the year ended 31st March, 2023 were authorised for issue in accordance with a resolution of the Board of Directors as on 19th May, 2023.

## 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, 2023

**(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.).

## Notes to the financial statements for the year ended 31st March, 2023

**Variable Consideration**

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those.

Revenue is recognized for each performance obligation either at a point in time or over time.

**Sale of goods:** Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc.

Contract balances:
Trade Receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required before payment of the consideration is due).
Contract liabilities:
A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfer goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the company performs under the contract.

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

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

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

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

## Notes to the financial statements for the year ended 31st March, 2023

**3.2 Property, Plant and Equipment**

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

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

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

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

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

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

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

***Depreciation and Ammortization:-***

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

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

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

**3.3 Intangible Assets :**

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

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

## Notes to the financial statements for the year ended 31st March, 2023

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

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

**3.4 Non Current Assets held for Sale**

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

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

**3.5 Investment Property**

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

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

**3.6 Lease**

**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.

## Notes to the financial statements for the year ended 31st March, 2023

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.

### 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.

## Notes to the financial statements for the year ended 31st March, 2023

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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

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

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

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

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

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

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

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’) that would otherwise arise from measuring financial assets and financial liabilities or recognising the gains or losses on them on different bases.

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

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

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

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from other comprehensive income to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

## Notes to the financial statements for the year ended 31st March, 2023

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 entity or for a portion thereof.

Investment in joint ventures and subsidiaries:

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

Impairment of financial assets

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

(a) Financial assets measured at amortised cost

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

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

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

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

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

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

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

## Notes to the financial statements for the year ended 31st March, 2023

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

**B) Financial liabilities**

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

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

Subsequent measurement

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

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

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

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

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

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

(b) Loans and borrowings

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

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

(c) Financial Guarantee Contracts

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

**Derecognition**

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

## Notes to the financial statements for the year ended 31st March, 2023

**Offsetting of financial instruments**

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

**Derivative financial instruments and hedge accounting**

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

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

**3.9 Cash and cash equivalents**

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

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

**3.10' Foreign currency Transactions**

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

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

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

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

**3.11 Fair Value Measurement:**

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

## Notes to the financial statements for the year ended 31st March, 2023

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**3.12 Inventories**

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

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

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

**3.13 Employee Benefits**

Short Term Employee Benefits

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

Post Employement Benefits

Defined Contribution Plan

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

## Notes to the financial statements for the year ended 31st March, 2023

Defined benefit plans:

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

Defined benefit costs are comprised of:

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

b ) Net interest expense or income; and

c) Re-measurement.

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

### 3.14 Borrowing Cost

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

Borrowing costs include interest expense calculated using the effective interest rate method as described in Ind AS 109- Financial Instruments, finance charges in respect of finance leases are recognised in accordance with Ind AS 116- Leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

### 3.15 Income Taxes

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

Current Tax

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

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

## Notes to the financial statements for the year ended 31st March, 2023

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,

## Notes to the financial statements for the year ended 31st March, 2023

- 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 <u>Business Combination</u>**

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

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

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

# Notes to the financial statements for the year ended 31st March, 2023

## 04. Property Plant and Equipment

(Rs. In Lacs)

| Description | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01-04-2022 | Amount Adjusted persuant to Scheme of Arrangement | Addition during the year | Sales/ Disposals | As at 31-03-2023 | As at 01-04-2022 | Amount Adjusted persuant to Scheme of Arrangement | For the Period | Sales/ Disposals | As at 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 |
| **TANGIBLE ASSETS:** | | | | | | | | | | | | |
| Free hold land | 131.99 | - | - | - | 131.99 | - | - | - | - | - | 131.99 | 131.99 |
| Factory Building | 1,097.67 | - | - | - | 1,097.67 | 130.66 | - | 34.90 | - | 165.55 | 932.12 | 967.02 |
| Plant & Machinery | 1,444.20 | - | 162.30 | 11.66 | 1,594.85 | 138.18 | - | 59.12 | 0.08 | 197.22 | 1,397.63 | 1,306.02 |
| Furniture & Fixture | 21.30 | - | 0.38 | - | 21.68 | 16.77 | - | 0.49 | - | 17.26 | 4.42 | 4.53 |
| Motor Car | 6.41 | - | 7.09 | 0.89 | 12.61 | 0.79 | - | 1.06 | - | 1.85 | 10.75 | 5.62 |
| Scooter, Moped & Cycle | 0.00 | - | - | - | 0.00 | (0.00) | - | 0.00 | - | 0.00 | (0.00) | 0.00 |
| Laboratory Equipment | 25.29 | - | 0.93 | - | 26.21 | 8.24 | - | 2.24 | - | 10.48 | 15.73 | 17.04 |
| Electrical Installation | 332.66 | - | 20.22 | - | 352.88 | 119.25 | - | 29.09 | - | 148.34 | 204.54 | 213.42 |
| Office Equipment | 13.03 | - | 1.69 | - | 14.72 | 4.44 | - | 1.90 | - | 6.35 | 8.37 | 8.59 |
| Air Conditioner | 4.20 | - | - | - | 4.20 | 3.40 | - | 0.05 | - | 3.45 | 0.75 | 0.80 |
| Computer | 5.91 | - | 4.62 | - | 10.53 | 3.25 | - | 1.93 | - | 5.18 | 5.35 | 2.66 |
| **Total** | **3,082.68** | **-** | **197.22** | **12.55** | **3,267.35** | **424.99** | **-** | **130.78** | **0.08** | **555.69** | **2,711.66** | **2,657.69** |
| Previous year | 29,117.31 | 26,466.59 | 431.95 | - | 3,082.67 | 6,448.71 | 6,306.96 | 283.22 | 0.00 | 424.97 | 2,657.70 | 22,668.60 |

The title deeds of all the immovable Properties are in the name of the Company.

## 05. Capital Work in Progress

**Details of Capital work-in-progress as at March 31,2023 is as follows:**

| Description | Capital Work in Progress | | | | |
|---|---|---|---|---|---|
| | As at 01-04-2022 | Addition during the year | Capitlised during the year | As at 31-03-2023 | As at 31-03-2022 |
| Capital Work In Progress | 9.49 | 27.02 | 36.50 | - | 9.49 |
| **Total** | **9.49** | **27.02** | **36.50** | **-** | **9.49** |

**Details of Capital work-in-progress as at March 31,2022 is as follows:**

| Description | Capital Work in Progress | | | | |
|---|---|---|---|---|---|
| | As at 01-04-2021 | Addition during the year | Capitlised during the year | As at 31-03-2022 | As at 31-03-2021 |
| Capital Work In Progress | - | 9.49 | - | 9.49 | - |
| **Total** | **-** | **9.49** | **-** | **9.49** | **-** |

**A.Capital Work In Progress**

**Ageing for capital work-in-progress as at March 31,2023 is as follows:**

| | Amount in capital work- in- Progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | **Less than 1 year** | **1-2 year** | **2-3 year** | **More than 3 years** | |
| | - | - | - | - | - |
| **Projects in Progress** | - | - | - | - | - |

**A.Capital Work In Progress**

**Ageing for capital work-in-progress as at March 31,2022 is as follows:**

| | Amount in capital work- in- Progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | **Less than 1 year** | **1-2 year** | **2-3 year** | **More than 3 years** | |
| | **9.49** | | | | **9.49** |
| **Projects in Progress** | **9.49** | | | | **9.49** |

B.Project execuition are modulated basic capacity requirement assessment on regular basis and all the projects are executed as per rolling annual plan.

**06. Investment Property**

(Rs. In Lacs)

| Description | Gross Block | | | | Depreciation / Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01-04-2022 | Addition during the year | Sales/ Disposals | As at 31-03-2023 | As at 01-04-2022 | For the Period | Sales/ Disposals | As at 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 |
| Free Hold Land | 1,281.68 | - | - | 1,281.68 | - | - | - | - | 1,281.68 | 1,281.68 |
| **Total** | **1,281.68** | **-** | **-** | **1,281.68** | **-** | **-** | **-** | **-** | **1,281.68** | **1,281.68** |
| Previous year | 1,281.68 | - | - | 1,281.68 | - | - | - | - | 1,281.68 | 1,281.68 |

**07. Other Intangible Assets**

| Description | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01-04-2022 | Amount Adjusted persuant to Scheme of Arrangement | Addition during the year | Sales/ Disposals | As at 31-03-2023 | As at 01-04-2022 | Amount Adjusted persuant to Scheme of Arrangement | For the Period | Sales/ Disposals | As at 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 |
| Technical Knowhow | - | - | - | - | - | - | - | - | - | - | - | 0.00 |
| Computer Software | 0.76 | - | - | - | 0.76 | 0.68 | - | 0.07 | - | 0.74 | 0.02 | 0.08 |
| **Total** | **0.76** | **-** | **-** | **-** | **0.76** | **0.68** | **-** | **0.07** | **-** | **0.74** | **0.02** | **0.08** |
| Previous year | 228.32 | 227.57 | - | - | 0.76 | 216.23 | 215.62 | 0.07 | - | 0.68 | 0.08 | 12.10 |

**08. Right of Use - Lease**

| Description | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01-04-2022 | Amount Adjusted persuant to Scheme of Arrangement | Addition during the year | Sales/ Disposals | As at 31-03-2023 | As at 01-04-2022 | Amount Adjusted persuant to Scheme of Arrangement | For the Period | Sales/ Disposals | As at 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 |
| Plant & Machinery | 467.03 | - | - | - | 467.03 | 11.35 | - | 93.41 | - | 104.76 | 362.27 | 455.68 |
| Leased Machinery Improvement | - | - | 375.90 | - | 375.90 | - | - | 37.49 | - | 37.49 | 338.41 | - |
| **Total** | **467.03** | **-** | **375.90** | **-** | **842.93** | **11.35** | **-** | **130.89** | **-** | **142.25** | **700.68** | **455.68** |
| Previous year | 93.43 | 93.43 | 467.03 | - | 467.03 | 10.90 | 10.90 | 11.35 | - | 11.35 | 455.68 | 82.53 |

**<u>Other Notes to Note No 04 to 08</u>**

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

A1. Refer Note No. 48 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, 2023 is Rs.NIL lacs ( 31st March, 2022: Rs.47.59 lacs)

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

B Disclosures for Investment Property

B1. The Company has identified and reclassifed Land at West Bengal amounting Rs 1281.68 Lacs. immovable properties as Investment Properties on the date of transition i.e. 1st April, 2016 on the basis of currently undermined future use.

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

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

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

B5. Since the Land at West Bengal are partial agricultural in 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 2023

(Rs. In lacs)

| 9 FINANCIAL ASSETS:- NON-CURRENT INVESTMENTS | Face Value Rs. | No. of Shares / Units As at 31st March 2023 | No. of Shares / Units As at 31st March, 2022 | Amount As at 31st March 2023 | Amount As at 31st March, 2022 |
|---|---|---|---|---|---|
| **Equity Instruments - Fully paid up** | | | | | |
| Unquoted | | | | | |
| (a) Subsidiary-At Cost | | | | | |
| (i) Ddev Plastic Ltd. | 10 | **-** | 10,000 | **-** | 1.00 |
| (iii) Kkalpana Plastic Reprocess Industries Middleeast FZE | 1000 AED | **525** | 425 | **108.83** | 86.34 |
| (b) Others-At Fair Value Through Profit and Loss | | | | | |
| (i) Panchawati Holiday Resorts Ltd. | 10 | **9,400** | 9,400 | **-** | - |
| Quoted | | | | | |
| (a) Associate-At Cost | | | | | |
| (i) Kkalpana Plastick Limited | 10 | **2,002,920** | 2,002,920 | **200.29** | 200.29 |
| (b) Others-At Fair Value Through Profit and Loss | | | | | |
| (i) Bank of Baroda | 10 | **1** | 1 | **-** | - |
| (ii) Nicco Corporation Ltd. | 2 | **826,194** | 826,194 | **-** | - |
| **Total Investments** | | | | **309.12** | 287.63 |
| Less: Provision for diminution in the value of Investments | | | | **-** | - |
| **Net Investments** | | | | **309.12** | 287.63 |

**Notes:**

| | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| Aggregate carrying amount of Quoted Investments | **200.29** | 200.29 |
| Aggregate market value of Quoted Investments | **230.34** | 684.00 |
| Aggregate amount of Unquoted Investments | **108.83** | 87.34 |
| Aggregate amount of Impairment in the value of Investments | **-** | - |

(Rs. In lacs)

| 10 FINANCIAL ASSETS - OTHERS | Non Current As at 31st March 2023 | Non Current As at 31st March, 2022 | Current As at 31st March 2023 | Current As at 31st March, 2022 |
|---|---|---|---|---|
| **Unsecured, considered good** | | | | |
| (a) Security Deposit | **33.20** | 48.31 | **30.65** | 110.08 |
| (b) Investment in Term Deposits (with remaining maturity of more than 12 months) | **57.73** | - | **-** | - |
| (c) Derivative Instruments | **-** | | | |
| Foreign Exchange Forward Contracts | - | - | **-** | 161.46 |
| (d) Others - Advances Recoverable from | | | | |
| Employees | - | - | **51.21** | 60.56 |
| Others | - | - | **178.15** | 129.51 |
| (e) Interest Accrued | - | - | **10.65** | - |
| **Total** | **90.93** | 48.31 | **270.66** | 461.61 |

| 11. OTHER NON CURRENT ASSETS | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| (a) Capital Advances | | |
| (i) Unsecured - considered good | **11.25** | 10.67 |
| **Total** | **11.25** | 10.67 |

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(Rs. In lacs)

| 12. INVENTORIES | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| (As taken valued and certified by the management) | | |
| At Cost or NRV whichever is lower | | |
| **(a) Raw materials** | | |
| - In Stock | **368.12** | 558.61 |
| **(b) Finished goods** | | |
| - In Stock | **377.38** | 198.17 |
| **(c) Stores and spares- at Cost** | | |
| - In Stock | **42.34** | 20.08 |
| **Total** | **787.84** | 776.85 |

- During the year ended 31st March 2023 and year ended 31st March, 2022 no amount was recognised as an expense for the inventories carried at net realisable value.
- Stores and Spares does not include machinery spares which can be used only in connection with an item of Property Plants and Equipment.

(Rs. In lacs)

| 13. TRADE RECEIVABLES | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| (a) Unsecured, considered good | | |
| (i) Others | **1,545.97** | 865.93 |
| | **1,545.97** | 865.93 |
| Less: Allowance for bad and doubtful debts | **33.42** | 33.42 |
| **Total (Net of Provision)** | **1,512.55** | 832.51 |

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

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

**- Ageing for Trade Receivables - Current Outstandings as at 31st March,2023 is as follows :-**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1 year -2 year | 2 year -3 year | More than 3 year | |
| **Trade Receivables** | | | | | | | |
| **Undisputed trade receivable-considerd good** | **1,456.45** | **42.41** | **25.66** | **3.93** | **7.53** | **9.99** | **1,545.97** |
| **Undisputed trade receivable-Which have significant increase in credit risk** | - | - | - | - | - | - | - |
| **Undisputed trade receivable-credit impaired** | - | - | - | - | - | - | - |
| **Disputed trade receivable-Considered good** | - | - | - | - | - | - | - |
| **Disputed trade receivable-Which have significant increase in credit risk** | - | - | - | - | - | - | - |
| **Disputed trade receivable-credit impaired** | - | - | - | - | - | - | - |
| **Total** | **1,456.45** | **42.41** | **25.66** | **3.93** | **7.53** | **9.99** | **1,545.97** |
| **Less: Allowances for doubtful trade receivable** | | | | | | | **33.42** |
| **Grand Total** | | | | | | | **1,512.55** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(Rs. In Lacs)

- Ageing for Trade Receivables - Current Outstandings as at 31st March,2022 is as follows :-

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1 year -2 year | 2 year -3 year | More than 3 year | |
| Trade Receivables | | | | | | | |
| Undisputed trade receivable-considerd good | 283.98 | 512.18 | 42.02 | 8.16 | 8.12 | 11.46 | 865.93 |
| Undisputed trade receivable-Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivable-credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivable-Considered good | - | - | - | - | - | - | - |
| Disputed trade receivable-Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivable-credit impaired | - | - | - | - | - | - | - |
| Total | 283.98 | 512.18 | 42.02 | 8.16 | 8.12 | 11.46 | 865.93 |
| Less: Allowances for doubtful trade receivable | | | | | | | 33.42 |
| Grand Total | | | | | | | 832.51 |

(Rs. In lacs)

| 14. CASH & CASH EQUIVALENTS | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| (a) Balance with banks: | | |
| (i) In Current Accounts | **210.81** | - |
| (ii) In Deposit with Original Maturity of less than 3 months | **602.21** | - |
| (b) Cash in hand (As certified by the management) | **12.25** | 14.07 |
| (c) Other Bank Balance | | |
| (i) Unpaid Dividend account | **9.00** | 9.06 |
| (ii) Deposits with more than 3 months initial maturity | **242.08** | - |
| **Total** | **1,076.35** | **23.13** |

| 15. Current Tax Assets (net) | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| Income Tax (Net of Payments) | **146.67** | - |
| | **146.67** | - |

(Rs. In lacs)

| 16. OTHER CURRENT ASSETS | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| (a) Other Advances | | |
| Unsecured, considered good | | |
| (i) Balances with government departments | **69.77** | 73.86 |
| (ii) Advance to Suppliers | **708.87** | 291.25 |
| (b) Prepaid Expenses | **21.63** | 18.91 |
| **Total** | **800.28** | 7,471.35 |

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)

| 17. EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity ) | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| **Authorised Shares** | | |
| 153,000,000 (Previous Year: 153,000,000) Shares of Rs. 2 each | **3,060.00** | 3,060.00 |
| | **3,060.00** | 3,060.00 |
| **Issued, Subscribed and Paid Up** | | |
| 940,72,930 (Previous Year: 940,72,930) Equity Shares of Rs.2 each | **1,881.46** | 1,881.46 |
| | **1,881.46** | 1,881.46 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(Rs. In Lacs)

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

| Particulars | As at 31st March 2023 | | As at 31st March 2022 | |
|---|---|---|---|---|
| | No. of Shares | Amount (Rs. In lacs) | No. of Shares | Amount (Rs. In lacs) |
| Equity Shares outstanding at the beginning of the year | 94,072,930 | 1,881.46 | 94,072,930 | 1,881.46 |
| Equity Shares issued during the year | - | - | - | - |
| Equity Shares bought back during the year | - | - | - | - |
| Equity Shares outstanding at the end of the year | 94,072,930 | 1,881.46 | 94,072,930 | 1,881.46 |

**(b) Terms/ Rights attached to Equity Shares**

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

In event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in propotion of their shareholding.

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

| Sl. No. | Name of the Shareholders | As at 31st March 2023 | | As at 31st March 2022 | |
|---|---|---|---|---|---|
| | | 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) Details of shareholding of Promoters and Promoters Group**

| Sl. No. | Name of the Promoters & Promoter Group | As at 31st March 2023 | | As at 31st March 2022 | | % Change during the Year |
|---|---|---|---|---|---|---|
| | | No. of Shares held | % of Holding | No. of Shares held | % of Holding | |
| 1 | Late Surendra Kumar Surana | 3,505 | 0.004% | 3,505 | 0.004% | - |
| 2 | Narrindra Suranna | 500 | 0.001% | 500 | 0.001% | - |
| 3 | Ddev Surana | 683,850 | 0.727% | 683,850 | 0.727% | - |
| 4 | Tara Devi Surana | 75,505 | 0.080% | 75,505 | 0.080% | - |
| 5 | Sarla Surana | 500 | 0.001% | 500 | 0.001% | - |
| 6 | Bbigplas Poly Pvt Ltd | 69,641,685 | 74.029% | 69,641,685 | 74.029% | - |

**(e)** The Company for the Period of five year immediately preceding the reporting date has not:

**(i)** Alloted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.

**(ii)** Alloted fully paid shares by way of bonus shares.

**(iii)** Bought Back of any class of shares

### 18. OTHER EQUITY (Refer Statement of Changes in Equity )

**(a) Security Premium**

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

(Rs. In lacs)

| | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| As per Last Financial Statement | - | 5,322.45 |
| Add/Less: Amount adjusted pursuant to scheme of arrangement | - | (5,322.45) |
| Add: During the year | - | - |
| | - | - |

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

| | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| As per Last Financial Statement | - | 852.96 |
| Add/Less: Amount adjusted pursuant to scheme of arrangement | - | (852.96) |
| Add: During the year | - | - |
| | - | - |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

**(c) General Reserve** (Rs. In Lacs)

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 2023 | As at 31st March, 2022 |
|---|---|---|
| As per Last Financial Statement | - | 3,400.00 |
| Add/Less: Amount adjusted pursuant to scheme of arrangement | - | (3,400.00) |
| Add: During the year | - | - |

**(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 2023 | As at 31st March, 2022 |
|---|---|---|
| As per Last Financial Statement | 1,524.63 | 25,354.70 |
| Add/Less: Amount adjusted pursuant to scheme of arrangement | - | (24,170.86) |
| Add/Less: Amount adjusted pursuant to scheme of arrangement( Investment) | - | (1.00) |
| Less: Equity Dividend | - | (188.15) |
| Add: During the year | 190.07 | 529.94 |
| | 1,714.70 | 1,524.63 |

| (e) Other Comprehensive Income | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| As per Last Financial Statement | (42.16) | (41.67) |
| Add: During the year | 15.47 | (0.49) |
| | (26.69) | (42.16) |
| | - | |
| **Total Reserves (a+b+c+d+e)** | 1,688.01 | 1,482.47 |

(Rs. In lacs)

| 19. LONG TERM BORROWINGS | Non Current | | Current * | |
|---|---|---|---|---|
| | As at 31st March 2023 | As at 31st March, 2022 | As at 31st March 2023 | As at 31st March, 2022 |
| **Unsecured** | | | | |
| **(a)** Long term loan | | | | |
| -Related Party | 4,613.00 | 1,867.50 | - | - |
| **Total** | 4,613.00 | 1,867.50 | - | - |

* Refer Note No.23

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

| Long term borrowings | Terms of Repayment | Maturity Date & Interest Rate |
|---|---|---|
| **Unsecured** | | |
| **(a)** Long term loan | | |
| **RELATED PARTY** | | |
| Bbigplas Poly Pvt. Ltd. | Repayable on Demand after 30th March 2027 | 11% from 31st March 2022 to 30th March 2027 |

(Rs. In lacs)

| 20 FINANCE LEASE LIABILITY | Non Current | | Current | |
|---|---|---|---|---|
| | As at 31st March 2023 | As at 31st March, 2022 | As at 31st March 2023 | As at 31st March, 2022 |
| (i) Finance Lease Liability | 240.98 | 340.72 | 95.55 | 98.10 |
| | 240.98 | 340.72 | 95.55 | 98.10 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(Rs. In Lacs)

| 21 DEFERRED TAX LIABILITIES (NET) | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| **(a) Liabilities :** | | |
| Depreciation and ammortization expenses | **159.74** | 180.29 |
| Items under financial assets and financial liabilities giving temporary differences | **6.48** | 4.24 |
| **Total (a)** | **166.22** | 184.53 |
| **(b) Assets :** | | |
| Items under financial assets and financial liabilities giving temporary differences | **18.63** | 54.00 |
| Provision for doubtful debts & obsolescence | **8.41** | 8.41 |
| **Total (b)** | **27.04** | **62.42** |
| **Net Liability (a-b)** | **139.18** | **122.11** |

| Reconciliation of Deferred Tax Assets/ Liabilites (Net): | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| Opening balance as at the beginning of the Year | **122.11** | 2,547.27 |
| Less: Amount adjusted pursuant to scheme of arrangement | **-** | (2,268.68) |
| Tax (benefit) / expense during the period recognised in profit or loss | **11.86** | (156.31) |
| Tax impact on items of Other Comprehensive income that will not be classified to profit & loss | **5.20** | (0.17) |
| Closing balance as at the end of the Year | **139.18** | 122.11 |

(Rs. In lacs)

| 22. TRADE PAYABLES | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| (a) Micro & Small Enterprises | **8.60** | 6.82 |
| (b) Others | | |
| Sundry Creditors for goods | **36.89** | 81.95 |
| Sundry Creditors for expenses | **61.87** | 175.30 |
| **Total** | **107.36** | 264.07 |

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, 2023 – Rs 0.08 lacs.

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Trade payables** | | | | | | |
| MSME* | **4.79** | **3.81** | **-** | **-** | **-** | **8.60** |
| Others | **42.68** | **56.08** | **-** | **-** | **-** | **98.76** |
| Disputed dues - MSME* | **-** | **-** | **-** | **-** | **-** | **-** |
| Disputed dues - Others | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **47.47** | **59.88** | **-** | **-** | **-** | **107.36** |
| Accrued expenses | **-** | | | | | **-** |
| **Grand Total** | | | | | | **107.36** |

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Trade payables** | | | | | | |
| MSME* | **3.43** | **3.39** | | | | **6.82** |
| Others | **257.08** | **0.17** | | | | **257.25** |
| Disputed dues - MSME* | **-** | **-** | **-** | **-** | **-** | **-** |
| Disputed dues - Others | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **260.51** | **3.56** | **-** | **-** | **-** | **264.07** |
| Accrued expenses | **-** | | | | | **-** |
| **Grand Total** | | | | | | **264.07** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(Rs. In Lacs)

| 23. CURRENT FINANCIAL LIABILITIES-OTHER | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| (a) Interest payable on Unsecured Loan | **10.93** | 16.76 |
| (b) Unpaid dividends * | **9.00** | 9.06 |
| (c) Others | | |
| (i) Creditors for Capital Goods | **17.63** | 216.34 |
| (ii) Other Liability | **89.84** | 214.14 |
| **Total** | **127.39** | 456.29 |

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

(Rs. In lacs)

| 24. OTHER CURRENT LIABILITIES | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| (a) Advance payments from customers | | |
| (i) Others | **75.41** | 44.21 |
| (ii) Related Party | **691.02** | 507.90 |
| (b) Other payables | **-** | - |
| (i) Statutory dues | **18.61** | 16.72 |
| **Total** | **785.03** | **568.83** |

| 25. SHORT TERM PROVISIONS | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| (a) Employee benefits | | |
| Leave encashment (unfunded) | **13.14** | 10.20 |
| Gratuity 39 (b) | **8.59** | 31.96 |
| **Total** | **21.74** | 42.16 |

| 26. Current Tax Assets (net) | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|---|
| Income Tax (Net of Payments) | **-** | 105.63 |
| | **-** | 105.63 |

(Rs. In lacs)

| 27 REVENUE FROM OPERATIONS | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| **(a) Sale of Products** | | |
| (i) Polyethylene | 21,132.45 | 3,978.55 |
| (ii) Others | 6,088.19 | 37.60 |
| **Total** | **27,220.64** | 4,016.15 |

| 28. OTHER INCOME | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| (a) Interest income | **15.27** | - |
| (b) Profit on Sale of Property,Plant and Equipment | **0.54** | - |
| (c) Exchange difference other than considered as finance cost (net) | **-** | 40.95 |
| (d) Export Incentive | **23.82** | - |
| (e) Unwinding of Interest on security deposit | **2.58** | 1.98 |
| (f) Fair Value gain or (losses) on derivatives | **-** | 138.66 |
| (g) Liablity Written back/ No longer requierd | **3.04** | - |
| (h) Other Miscelleaneous Income | **1,451.82** | 449.54 |
| **Total** | **1,497.06** | 631.13 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

**29. COST OF MATERIALS CONSUMED**

| | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| | | (Rs. In Lacs) |
| Inventory at the begining of the year | **558.61** | 19,182.93 |
| Add/Less: Amount adjusted pursuant to scheme of arrangement | **-** | (19,111.11) |
| Add: Purchases during the year | **26,128.21** | 3,226.65 |
| Less: Raw Material at the end of the Year | **368.12** | 558.61 |
| Total Cost of Material Consumed | **26,318.70** | 2,739.87 |
| Details of Raw Material Consumed | | |
| LLDPE/ LDPE | **18,565.69** | 364.06 |
| PVC Resin | **-** | - |
| Plastic Scrap | **1,523.91** | 2,234.33 |
| Other items | **6,229.10** | 141.47 |
| | **26,318.70** | 2,739.87 |

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

| | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| (a) Stocks at the beginning of the year | | |
| Finished goods | **198.17** | 3,067.83 |
| Less: Amount adjusted pursuant to scheme of arrangement | **-** | (3,056.75) |
| (b) Less: Stocks at the end of the year | | |
| Finished goods | **377.38** | 198.17 |
| **Total** | **(179.21)** | (187.09) |

**31. EMPLOYEE BENEFITS EXPENSE**

| | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| | | (Rs. In lacs) |
| (a) Salaries, Wages, Bonus and Gratuity | **373.61** | 382.08 |
| (b) Contribution to Provident and other funds | **6.43** | 6.03 |
| (c) Workmen and staff welfare expenses | **11.05** | 11.43 |
| **Total** | **391.09** | 399.54 |

**32. FINANCE COSTS**

| | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| | | (Rs. In lacs) |
| (a) Interest expense | | |
| (i) To Banks | **31.45** | 11.55 |
| (ii) To Others | **516.51** | - |
| (b) Other borrowing costs | **5.86** | 21.78 |
| (c) Unwinding of Interest | **4.74** | 0.25 |
| **Total** | **558.56** | 33.57 |

**33. OTHER EXPENSES**

| | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| | | (Rs. In lacs) |
| (a) Consumption of Stores and Spare Parts | **76.74** | 51.09 |
| (b) Power & Fuel | **389.16** | 387.85 |
| (c) Rent (Refer Note No. 52) | **61.24** | 41.52 |
| (d) Repair & Maintenance - Building | **110.96** | 183.91 |
| (e) Repair & Maintenance - Machinery | **41.69** | 114.20 |
| (f) Repair & Maintenance - Others | **74.71** | 25.55 |
| (g) Insurance Charges | **23.34** | 25.34 |
| (h) Rates & Taxes | **11.68** | 6.41 |
| (i) Payments to Auditors (Refer Note (i) below) | **1.00** | 3.75 |
| (j) Directors' Fees | **5.25** | 3.50 |
| (k) Selling & Distribution Expenses | **62.83** | 59.07 |
| (l) Security Charges | **31.41** | 36.30 |
| (m) Professional & Consultancy Charges | **41.18** | 6.57 |
| (n) Exchange difference other than considered as finance cost (net) | **93.36** | - |
| (o) CSR expenses (Refer Note No. 38) | **-** | 73.50 |
| (q) Miscellaneous expenses | **117.82** | 60.57 |
| **Total** | **1,142.37** | 1,079.12 |
| Refer Note :- (i) | | |
| **Auditors' remuneration and expenses** | | |
| Audit fees | **0.75** | 3.10 |
| Tax audit fees | **0.25** | 0.65 |
| Fees for other services | **-** | - |
| **Total** | **1.00** | 3.75 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(Rs. In Lacs)

| 34 Income Tax | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| **I Income tax related to items charged or credited directly to profit or loss during the year:** | | |
| **(a) Statement of profit and loss** | | |
| (i) Current Income Tax | **22.91** | 91.89 |
| (ii) Deferred Tax expense/ (benefit) | **11.86** | (156.31) |
| (iii) Tax for earlier years | **15.74** | (177.91) |
| | **50.50** | **(242.33)** |
| **(b) Other Comprehensive Income** | | |
| (i) Deferred Tax related to items recognised in OCI during the year: | | |
| - Net expense/(benefit) on remeasurements of defined benefit plans | **5.20** | 4.56 |
| | **5.20** | 4.56 |
| **Total (a+b)** | **55.71** | 815.32 |
| **II Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2022 and 31st March, 2021:** | | |
| Accounting profit before income tax as per Ind AS | **240.57** | 287.61 |
| | | - |
| At Income tax rate of 25.168% (31st March, 2021: 25.168%) | **60.55** | 72.39 |
| | | - |
| Tax effect of items that are not deductible for tax purpose | **10.19** | 15.39 |
| Tax for Earlier Years | **15.74** | (177.91) |
| Others | **(35.97)** | (152.36) |
| | **-** | |
| At the effective income tax rate | **55.71** | **(242.50)** |
| Income tax expense reported in the statement of profit and loss | **55.71** | (242.50) |
| Difference | - | - |

| 35. Other Comprehensive Income | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| i Items that will not be classified to profit and loss | | |
| - Remeasurement gain/ (losses) on defined benefit plans | **20.68** | (0.66) |
| ii Income tax relating to items that will not be classified to profit and loss | | |
| - Remeasurement gain/ (losses) on defined benefit plans | **(5.20)** | 0.17 |
| **Total** | **15.47** | **(0.49)** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

### 36 OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Contingent liabilities & Commitments**

(Rs. In lacs)

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **A Contingent liabilities Not Provided for:-** | | |
| (a) Claims against the Company not acknowledged as debts | | |
| - Demand raised by following authorities in dispute: | | |
| (i) Income tax matters | **1243.22** | 489.34 |
| **B Bank Gurantee** | **234.43** | 234.43 |
| **C Capital Commitments** | | |
| Estimated Value of contracts in Capital account remaining to be excecuted and not provided for (Net of advances) | **-** | 47.59 |
| **D Other Commitments** | | |
| Letter of Credit | **570.94** | 305.39 |

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

**A.** Loan Given

(i) There is no Loan given by the Company during the year.

**B.** Investment Made

There are no investments by the company other than those stated under Note No. 9 in the financial statements.

**C.** Securities Given

There is no security given during the year.

### 38 DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(a) Gross amount required to be spent by the Company during the year in pursuance to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder : Rs. NIL (PY Rs. 73.50 lacs).

(b) Amount unspent as at 31.3.2023 Rs. Nil (P.Y 31.3.2022 Rs. Nil)

(c) Amount spent during the year 2022-23 are shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 33):

(Rs. In lacs)

| Sl. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| (i) | Spent during the year | **-** | - |
| | (a) On construction/ acquisition of any asset | **-** | - |
| | (b) On purpose other than (a) as mentioned above | **-** | 73.50 |
| (ii) | Yet to Spend | **-** | - |
| | **Total** | **-** | 73.50 |

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

**(a) Defined contribution plans:**

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Contribution to defined contribution plan, recognised as expense for the year as under: | | |
| (i) Employer's contribution to Government Provident Fund, Pension Fund & ESI | **6.43** | **6.03** |
| Total | **6.43** | 6.03 |

**(b) Defined benefit plan:**

**Gratuity**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

| | Gratuity (Funded) | |
|---|---|---|
| **I Following information are based on report of actuary for employee benefit expenses** | **As at 31st March, 2023** | As at 31st March, 2022 |
| (A) Change in present value of the obligation during the year | | |
| (1) Present value of obligation at year beginning | **79.26** | 429.33 |
| (2) Current service cost | **5.50** | 4.76 |
| (3) Interest cost | **5.63** | 29.62 |
| (4) Benefits paid | **-** | (5.74) |
| (5) Increase/(Decrease) due to effect of Demerger | **-** | (376.74) |
| (6) Actuarial (gain) / loss arising from changes in demographic assumptions | **-** | - |
| (7) Actuarial (gain) / loss arising from changes in financial assumptions | **(0.21)** | (0.25) |
| (8) Actuarial (gain) / loss arising from changes in experience adjustments | **(22.02)** | (1.73) |
| (9) Present value of obligation at year end | **68.16** | 79.26 |
| (B) Change in fair value of plan assets during the year | | |
| (1) Fair value of plan assets at year beginning | **47.30** | 156.17 |
| (2) Interest income on plan assets | **3.72** | 11.44 |
| (3) Expected return on plan assets other than interest income | **(1.55)** | (2.64) |
| (4) Contribution made by the Employer * | **10.10** | 25.10 |
| (5) Benefits paid | **-** | (5.74) |
| (6) Increase/(Decrease) due to effect of Demerger | **-** | (137.04) |
| (7) Fair value of plan assets at year end | **59.56** | 47.30 |
| (C) Reconciliation of obligation and fair value of assets | | |
| (1) Present value of the obligation at year end | **68.16** | 79.26 |
| (2) Fair value of plan assets at year end | **59.56** | 47.30 |
| (3) Funded status [surplus / (deficit)] | **(8.59)** | (31.96) |
| (D) Expense recognised in the Statement of Profit and Loss | | |
| (1) Current service cost | **5.50** | 4.76 |
| (2) Interest cost | **5.63** | 29.62 |
| (3) Interest income on plan assets | **(3.72)** | (11.44) |
| **Net cost recognised in Profit or Loss** | **7.41** | 22.94 |
| (E) Recognised in Other Comprehensive Income | | |
| (1) Expected return on plan assets other than interest income | **1.55** | 2.64 |
| (2) Actuarial (gain) / loss arising from changes in demographic assumptions | **-** | - |
| (3) Actuarial (gain) / loss arising from changes in financial assumptions | **(0.21)** | (0.25) |
| (4) Actuarial (gain) / loss arising from changes in experience adjustments | **(22.02)** | (1.73) |
| **Net (gain)/ loss recognised in Other Comprehensive Income** | **(20.68)** | 0.66 |
| (F) Net Defined benefit liability/(Asset) Reconciliation | | |
| (1) Net Defined benefit liability/(Asset) at the beginning of the year | **31.96** | 273.16 |
| (2) Defined benefit cost included in P/L | **7.41** | 22.94 |
| (3) Total remeasurement included in OCI | **(20.68)** | 0.66 |
| (4) Increase/(Decrease) due to effect of Demerger | **-** | (239.70) |
| (5) Employers contribution* | **(10.10)** | (25.10) |
| **Net Defined benefit liability/(Asset) at the end of the year** | **8.59** | 31.96 |
| **II Maturity profile of defined benefit obligations:** | | |
| Year 1 | **43.54** | 43.83 |
| Year 2 | **5.40** | 1.65 |
| Year 3 | **-** | 18.48 |
| Year 4 | **1.79** | 5.16 |
| Year 5 | **-** | 1.01 |
| Year 6 | **-** | 2.45 |
| Year 7 | **-** | 0.89 |
| Year 8 | **0.06** | 0.86 |
| Year 9 | **1.30** | 1.32 |
| Year 10 | **-** | 0.84 |
| Above 10 years | **NA** | NA |
| **Total expected payments** | **52.10** | 76.51 |

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 1.41 Years (31st March,2022: 2.31 years).

The best estimate contribution for the company during the next year would be Rs 7.44 lacs. (31st March,2022: Rs. 33.09 lacs).

Amount payable upon discontinouance of all employment is Rs. 68.11 Lacs. (31st March,2022: Rs. 79.81 lacs).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(Rs. In lacs)

| III Experience Adjustments on Present Value of DBO and Plan Assets | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| (Gain)/Loss on Plan Liabilities | (22.02) | (1.73) |
| % of Opening Plan Liabilities | -27.78% | 0.40% |
| (Gain)/Loss on Plan Assets | 1.55 | 2.64 |
| % of Opening Plan Assets | 3.29% | 1.69% |

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

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

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Defined Benefit Obligation (Base) | 68.16 | 79.26 |
| (1) One percentage increase in discount rate | 65.62 | 76.40 |
| (2) One percentage decrease in discount rate | 71.23 | 82.46 |
| (3) One percentage increase in rate of salary escalation | 71.34 | 82.02 |
| (4) One percentage decrease in rate of salary escalation | 65.49 | 76.81 |
| (5) One percentage increase in rate of withdrawl rate | 68.45 | 79.43 |
| (6) One percentage decrease in rate of withdrawl rate | 67.98 | 79.06 |
| (7) One percentage increase in rate of mortality rate | 68.21 | - |
| (8) One percentage decrease in rate of mortality rate | 68.10 | - |

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **V Actuarial Assumptions** | | |
| (1) Discount rate | 7.30% | 7.10% |
| (2) Mortality Rate | IALM (2012-14) Table Ultimate | |
| (3) Salary Esclation - First 5 years | 6% p.a | 6% p.a |
| (4) Salary Esclation - After 5 years | 6% p.a | 6% p.a |
| (5) Expected Rate of Return on Plan Assets | 7.30% | 7.10% |
| (6) Disability Rate | 5% of Mortality Rate | 5% of Mortality Rate |
| (7) Retirement Age | 60 years | 60 years |
| (8) Average Future Service | 19.12 | 15.60 |
| (9) Withdrawal rates , based on age: (per annum) | | |
| Up to 25 years | 8% | 8% |
| 26 - 30 years | 7% | 7% |
| 31 - 35 years | 6% | 6% |
| 36 - 40 years | 5% | 5% |
| 41 - 45 years | 4% | 4% |
| 46 - 50 years | 3% | 3% |
| 51 - 55 years | 2% | 2% |
| Above 56 years | 1% | 1% |
| **VI Weighted average Asset allocation ( as percentage of total plan assets )** | | |
| (1) Equities | - | - |
| (2) Bonds | - | - |
| (3) Gilts | - | - |
| (4) Insurance Policies | 100% | 100% |
| **Total** | 100% | 100% |

### 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. reprocessed plastic compounds 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(Rs. In lacs)

| (c) Geographical Information | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| (i) | **Segment revenue by location of Customers:** | | |
| | India | **24,071.30** | 4,016.15 |
| | Overseas | **3,149.34** | - |
| | **Total** | **27,220.64** | 4,016.15 |
| (ii) | **Segment Assets by location** | | |
| | India | | |
| | East | **4,694.04** | 4,404.61 |
| | Overseas | **-** | - |
| | **Total** | **4,694.04** | 4,404.61 |

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

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

**(f)** Revenue from top three customer is INR 25,731.88 lacs (P.Y Rs. 813.12 lacs from four 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)

| Name of the Related Party | Relationship with the Company |
|---|---|
| Mr. Narrindra Suranna | CEO, Chairman and Managing Director and Promoter (KMP) |
| Dr P.R. Mukherjee | Director (KMP) |
| Mr. I.C Dakalia | Chief Financial Officer (KMP) |
| Ms. Tanvi Panday* | Company Secretary (KMP) |
| Ms. Ankita Karnani | Company Secretary (KMP) |
| Mrs. Tara Devi Surana | Promoter |
| Late Surendra Kumar Surana | Promoter ( Date of death:23.03.2023) |
| Mrs. Sarla Devi Surana | Promoter |
| Mr. Ddev Surana | Promoter & Non Executive Director (KMP) |

(ii) **Relative of Key Management Personnel (KMP) of the Company**

| Name of the Relative | Relationship with KMP |
|---|---|
| Mrs. Tara Devi Surana | Mother of Chairman and Managing Director |
| Mrs. Sarla Devi Surana | Wife of Chairman and Managing Director |
| Late Surendra Kumar Surana | Brother of Chairman and Managing Director |
| Mr. Ddev Surana | Son of Chairman and Managing Director |

| | | |
|---|---|---|
| (iii) | Bbigplas Poly Pvt Ltd | Promoter and Holding Company |
| (iv) | Ddev Plastiks Industries Limited | Fellow Subsidiary |
| (v) | Ddev Plastic Limited | Subsidiary till 27.09.2022 |
| (vi) | Kkalpana Plastic Reprocess Industries Middleeast FZE | Subsidiary |
| (vii) | Plastic Processor and Exporters Pvt Ltd. | Fellow Subsidiary |
| (viii) | Kkalpana Plastick Limited | Associate & Subsidiary of the Holding Company |

**Notes:-**

*Note : Ms. Tanvi Panday resigned as Company Secretary w.e.f. 01.04.2022

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

**(B) Disclosure of transactions with Related Parties during the year ended 31.03.2023** (Rs. In lacs)

| Nature of transactions | Ref. to Note (A) above | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **Remuneration to KMP** | | | |
| Mr Narrindra Suranna | (i) | **14.00** | 77.00 |
| Mr Ddev Surana | (i) | **-** | 24.21 |
| Mr Rajesh Kothari | (i) | **-** | 39.52 |
| Dr P.R. Mukherjee | (i) | **21.34** | 0.19 |
| Mr I.C. Dakalia | (i) | **28.88** | 25.75 |
| Ms. Ankita Karnani | (i) | **5.64** | - |
| Ms Tanvi Panday* | (i) | **-** | 9.28 |
| | | **69.87** | 175.95 |
| **Purchase of Goods** | | | |
| Plastic Processors Pvt Ltd. | | | |
| Capital Goods | (vii) | **-** | 5.54 |
| Ddev Plastiks Industries Limited | | | |
| Goods | (iv) | **1,828.23** | |
| **Sale of Goods** | | | |
| Ddev Plastiks Industries Limited | | | |
| Goods | (iv) | **26,249.08** | |
| Capital Goods | (iv) | **53.23** | |
| **Interest Expenses** | | | |
| Bbigplas Poly Pvt Ltd | (iii) | **466.70** | - |
| Plastic Processors and Exporter Pvt Ltd. | (vii) | **49.81** | |
| **(C) Balances at the year ended 31.03.2023** | | | |
| **Loan Taken & Outstanding** | | | |
| Bbigplas Poly Pvt Ltd* | (iii) | **4,125.00** | 1,370.00 |
| Plastic Processors Pvt Ltd. | (vii) | 488.00 | 497.50 |
| **Interest Payable** | | | |
| Plastic Processors Pvt Ltd. | (vii) | **10.93** | 16.76 |
| **Other Payables** | | | |
| Ddev Plastiks Industries Limited | (iv) | **691.02** | 507.90 |

### 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

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

**(a) Disclosure for the year ended 31st March, 2023**

| | Carrying Value | Fair Value | Fair Value heirarchy Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| **(1) Financial Assets** | | | | | |
| **Financial Assets at amortised cost** | | | | | |
| Trade Receivables | **1,512.55** | **1,512.55** | **-** | **-** | **1,512.55** |
| Other Financial assets excluding derivative financial instruments | **361.59** | **361.59** | **-** | **-** | **361.59** |
| Cash & cash equivalents | **1,076.35** | **1,076.35** | **-** | **-** | **1,076.35** |
| | **2,950.49** | **2,950.49** | **-** | **-** | **2,950.49** |
| **Financial Assets at cost** | | | | | |
| Investments in equity shares | | | | | |
| Associate - | | | | | |
| Kkalpana Plastick Limited | **200.29** | **230.34** | **230.34** | **-** | **-** |
| Subsidiary - | | | | | |
| Kkalpana Plastic Reprocess Industries Middleeast FZE | **108.83** | **108.83** | **-** | **-** | **108.83** |
| | **309.12** | **339.17** | **230.34** | **-** | **108.83** |
| **Financial Asset at fair value through profit or loss** | | | | | |
| Derivative financial instruments | **-** | **-** | **-** | **-** | **-** |
| Investment in Equity Shares - Quoted | | | | | |
| Bank of Baroda | **-** | **-** | **-** | **-** | **-** |
| Nicco Corporation Ltd. | **-** | **-** | **-** | **-** | **-** |
| Investment in Equity Shares - Unquoted | | | | | |
| Panchawati Holiday Resorts Ltd. | **-** | **-** | **-** | **-** | **-** |
| **Assets for which fair values are disclosed** | | | | | |
| Investment Property (Refer Note No. 6 (b)) | **-** | **-** | **-** | **-** | **-** |
| **Total** | **3,259.62** | **3,289.66** | **65.70** | **-** | **3,059.33** |
| **(2) Financial Liability** | | | | | |
| **Financial Liabilities at amortised cost** | | | | | |
| Borrowings from Banks, Financial Institutions and others | **4,613.00** | **4,613.00** | | | **4,613.00** |
| Financial Lease liability | **336.53** | **336.53** | | | **336.53** |
| Trade Payables | **107.36** | **107.36** | | | **107.36** |
| Other Financial liabilities excluding derivative financial instruments | **127.39** | **127.39** | | | **127.39** |
| Total | **5,184.28** | **5,184.28** | **-** | **-** | **5,184.28** |
| Total | **5,184.28** | **5,184.28** | **-** | **-** | **5,184.28** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

**(b) Disclosure for the year ended 31st March, 2022**

| | | | Fair Value heirarchy | | |
|---|---|---|---|---|---|
| | Carrying Value | Fair Value | Level 1 | Level 2 | Level 3 |
| **(1) Financial Assets** | | | | | |
| **Financial Assets at amortised cost** | | | | | |
| Trade Receivables | 832.51 | 832.51 | - | - | 832.51 |
| Other Financial assets excluding derivative financial instruments | 348.46 | 348.46 | - | - | 348.46 |
| Loans | - | - | - | - | - |
| Cash & cash equivalents | 23.13 | 23.13 | - | - | 23.13 |
| | 1,204.09 | 1,204.09 | - | - | 1,204.09 |
| **Financial Assets at cost** | | | | | |
| Investments in equity shares | | | | | |
| Associate - | | | | | |
| Kkalpana Plastick Limited | 200.29 | 65.70 | 65.70 | - | - |
| Subsidiary - | | - | | | |
| Ddev Plastiks Industries Ltd. | 1.00 | 1.00 | | | 1.00 |
| Kkalpana Plastic Reprocess Industries Middleeast FZE | 86.34 | 86.34 | - | - | 86.34 |
| | 287.63 | 153.03 | 65.70 | - | 87.34 |
| **Financial Asset at fair value through profit or loss** | | | | | |
| Derivative financial instruments | 161.46 | 161.46 | - | 161.46 | - |
| Investment in Equity Shares - Quoted | | | | | |
| Bank of Baroda | - | - | - | - | - |
| Nicco Corporation Ltd. | - | - | - | - | - |
| Investment in Equity Shares - Unquoted | | | | | |
| Panchawati Holiday Resorts Ltd. | - | - | - | - | - |
| **Assets for which fair values are disclosed** | | | | | |
| Investment Property (Refer Note No. 6 (b)) | - | - | - | - | - |
| **Total** | 1,653.18 | 1,518.58 | 65.70 | 161.46 | 1,291.43 |
| **(2) Financial Liability** | | | | | |
| **Financial Liabilities at amortised cost** | | | | | |
| | | | - | - | |
| Borrowings from Banks, Financial Institutions and others | 1,867.50 | 1,867.50 | - | - | 1,867.50 |
| Financial Lease liability | 438.82 | 438.82 | - | - | 438.82 |
| Trade Payables | 264.07 | 264.07 | - | - | 264.07 |
| Other Financial liabilities excluding derivative financial instruments | 456.29 | 456.29 | - | - | 456.29 |
| Total | 3,026.68 | 3,026.68 | - | - | 3,026.68 |
| Total | 3,026.68 | 3,026.68 | - | - | 3,026.68 |

**(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 |

### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

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:

| | **2022-23** | 2021-22 |
|---|---|---|
| | **(+/ -) 50 Basis Points** | (+/ -) 50 Basis Points |
| **Effect on profit before tax due to interest rate sensitivity** | **-** | - |

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities. The Company manages its foreign currency risk by hedging transactions that are expected to realise in future.

| | | | **As at 31st March, 2023** | | As at 31st March, 2022 | |
|---|---|---|---|---|---|---|
| **Foreign Currency Exposure** | | | **Foreign Currency** | **Functional Currency (Rs. In lacs)** | Foreign Currency | Functional Currency (Rs. In lacs) |
| **I** | **Hedged** | | | | | |
| | Forward contracts | **USD** | **-** | **-** | 21,940,000 | 16,969.49 |
| | Option contracts | **USD** | **-** | **-** | - | - |
| **II** | **Not hedged** | | | | | |
| | Trade receivables | **USD** | **48,252.50** | **39.67** | - | - |
| | **Net Unhedged Portion** | | **-** | **-** | - | - |
| | Trade receivables | **USD** | **48,252.50** | **39.67** | - | - |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

**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)**

| | **2022-23** | **2021-22** |
|---|---|---|
| | **(+/-) 5%** | **(+/-) 5%** |
| **Effect on profit before tax** | | |
| USD | **1.98** | - |
| Euro | **-** | - |
| CHF | **-** | - |
| | **1.98** | - |

**Derivative Financial Instrument**

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

**(Rs. In lacs)**

| | | **As at 31st March, 2023** | | As at 31st March, 2022 | |
|---|---|---|---|---|---|
| | | **Foreign Currency** | **Fair Value as on 31.03.2022 (Rs.)** | Foreign Currency | Fair Value as on 31.03.2021 (Rs.) |
| Derivatives not designated as hedges | | | | | |
| Forward Contracts | USD | **-** | **-** | 21,940,000 | 17,108.15 |
| Mark to Market (Gain)/loss in Forward Contract | | **-** | **-** | - | 138.66 |

(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 due date of payment.(Refer Note no. 13)

(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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

**C. Liquidity Risk**

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

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

| | Less than 1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| **31st March, 2023** | | | | |
| Borrowings | - | - | 4,613.00 | **4,613.00** |
| Other Financial Liabilities | 127.39 | - | - | **127.39** |
| Trade Payables | 107.36 | - | - | **107.36** |
| Finance Lease liability | 95.55 | 240.98 | - | **336.53** |
| | 330.30 | 240.98 | 4,613.00 | 5,184.28 |

| **31st March, 2022** | Less than 1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| Borrowings | - | - | 1,867.50 | **1,867.50** |
| Other Financial Liabilities other than current maturities of borrowings and lease obligation | 456.29 | - | - | **456.29** |
| Trade Payables | 264.07 | - | - | **264.07** |
| Finance Lease liability | 98.10 | 340.72 | - | **438.82** |
| | 818.46 | 340.72 | 1,867.50 | 3,026.68 |

## 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 lease liability less cash and cash equivalents and current investments. 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.

| | **As at 31st March, 2023** | As at 31st March, 2022 |
|---|---|---|
| Borrowings | **4,623.93** | **1,884.26** |
| Less: Current investments | **-** | **-** |
| Less: Cash and cash equivalents | **1,076.35** | **23.13** |
| **(a) Net Debt** | **3,547.58** | 1,861.13 |
| **(b) Equity** | **3,569.47** | **3,363.93** |
| **(c) Equity and Net Debt (a+b)** | **7,117.05** | 5,225.06 |
| **Gearing Ratio (a/c)** | **49.85%** | 35.62% |

**B. Proposed Dividend**

The Board of directors in its Board meeting held on 19th May, 2023 have not recommended the payment of final dividend (March 31,2022 - Rs NIL).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

### 45 NET - DEBT RECONCILIATION

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | **Long term Borrowings** | **Short term borrowings** | Long term Borrowings | Short term borrowings |
| Opening Net Debt | **1,867.50** | **16.76** | 2,306.80 | 8,600.32 |
| Less: Amount adjusted pursuant to scheme of arrangement | **-** | **-** | (34.57) | (9,219.05) |
| Proceeds from Borrowings | **2,745.50** | **-** | - | 618.73 |
| Repayment of Borrowings (Net) | **-** | **-** | 404.73 | 0.00 |
| Interest Expenses (including unwinding of Interest) | **516.51** | **42.05** | 0.25 | 33.32 |
| Interest Paid | **516.51** | **47.89** | 0.25 | 16.56 |
| Closing Net Debt | **4,613.00** | **10.93** | **1,867.50** | **16.76** |

**(Rs. In lacs)**

### 46 EARNING PER SHARE (EPS)

| | | | **As at 31st March, 2023** | As at 31st March, 2022 |
|---|---|---|---|---|
| (a) | Face value of equity shares | Rs. | **2.00** | 2.00 |
| (b) | Profit attributable to equity shareholders | Rs. (in lacs) | **190.07** | 529.94 |
| (c) | Weighted average number of equity shares outstanding | Nos. in lacs | **940.73** | 940.73 |
| (d) | Weighted average Earning Per Share (Basic and Diluted) | Rs. | **0.20** | 0.56 |

### 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:-

**(Rs. In lacs)**

| | | **As at 31st March, 2023** | As at 31st March, 2022 |
|---|---|---|---|
| (a) | Revenue expenditure charged to Statement of Profit and Loss | | |
| | Other Expenses | **0.60** | 0.70 |
| (b) | Capital expenditure shown under fixed assets schedule | **0.93** | - |
| | Grand Total | **1.53** | 0.70 |

### 48 VALUE OF IMPORTED AND INDEGENEOUS MATERIAL CONSUMED

| | **Particulars** | **As at 31st March, 2023** | **%age of Total Consumption** | **As at 31st March, 2022** | **%age of Total Consumption** |
|---|---|---|---|---|---|
| | **Raw Materials** | | | | |
| i | Imported | **11,135.01** | **42%** | 2,188.67 | 80% |
| ii | Indegeneos | **15,183.70** | **58%** | 551.19 | 20% |
| | **Total** | **26,318.70** | **100%** | 2,739.87 | 100% |
| | **Store, Spare parts and Components*** | | | | |
| i | Imported | **5.76** | **4%** | 218.07 | 28% |
| ii | Indegeneous | **135.26** | **96%** | 564.57 | 72% |
| | **Total** | **141.02** | **100%** | 782.64 | 100% |

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

### 49 VALUE OF IMPORTS ON CIF BASIS

**(Rs. In lacs)**

| **Particulars** | **As at 31st March, 2023** | As at 31st March, 2022 |
|---|---|---|
| Raw Materials | **11,135.01** | 2,188.67 |
| Stors, Spare parts and Components | **5.76** | 218.07 |
| Capital Goods | **-** | - |
| **Total** | **11,140.77** | 2,406.74 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

### 50 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. In lacs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Exports at FOB Value | 86.60 | - |
| **Total** | **86.60** | - |

### 51 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. In lacs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Travelling | 2.59 | 6.29 |
| Interest | - | 0.04 |
| Other Matters | 11.17 | 5.82 |
| **Total** | **13.77** | 12.15 |

### 52 LEASES

The Company's lease asset classes primarily consist of leases for buildings, machinery and warehouses.

- 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 acturial 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, 2023:**

(Rs. in lacs)

| Particulars | Total |
|---|---|
| **Balance as at 31st March 2022 (Gross)** | **467.03** |
| Additions for the year | 375.90 |
| **Balance as at 31st March 2023 (Gross)** | **842.93** |
| **Accumulated Amortisation as at 31st March 2022** | **11.35** |
| Amortisation for the year | 130.89 |
| **Accumulated Amortisation as at 31st March 2023** | **142.25** |
| Net Balance as at 31st March 2023 | 700.68 |
| Net Balance as at 31st March 2022 | 455.67 |

**Following is the movement in lease liabilities during the year ended March 31, 2023**

| Particulars | (Rs. in lacs) |
|---|---|
| **Balance as at 31st March 2022** | 438.82 |
| Additions during the year | - |
| Interest accrued during the year | 4.74 |
| Deletions | - |
| Payment of Lease Liabilities | 107.03 |
| **Balance as at 31st March 2023** | **336.53** |
| - Current lease liabilities | 95.55 |
| - Non Current lease liabilities | 240.98 |

**Break up of Contractual maturities of Lease Liabilities as at March 31, 2023 on an undiscounted basis**

| Particulars | (Rs. in lacs) |
|---|---|
| Less than 1 year | 107.03 |
| One to Five year | 307.64 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

**Short-term leases expenses incurred for the year ended 31st March, 2022:**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| | (Rs. in lacs) | (Rs. in lacs) |
| Rental expense | 61.24 | 41.52 |

### 53 SCHEME OF ARRANGEMENT

a) Pursuant to the Composite Scheme of Arrangement ('the scheme') between Kkalpana Industries (India) Limited, the Company and their respective shareholders and creditors as approved by the Hon'ble National Law Company Tribunal (NCLT), Kolkata Bench, vide its order dated March 4, 2022, which became effective on **April 1, 2022** on filing with the Registrar of Companies, all the assets and liabilities of the 'transferred business' of Kkalpana Industries (India) Limited i.e. the Compounding Business units situated at Dhulagarh, Howrah(West Bengal), Daman(Dadra & Nagar Haveli and Daman & Diu), Dadra(Dadra & Nagar Haveli and Daman & Diu), Surangi(Dadra & Nagar Haveli and Daman & Diu), Vapi(Gujarat), Delhi(N.C.T. of Delhi) and Mumbai (Maharashtra) registered,marketing, branch and administrative office(s) located in India, have been transferred to and vested in the Company at their respective book values on a going concern basis with effect from the appointed date (i.e. April 1, 2021). Accordingly, the Scheme of Arrangement has been given effect to in these accounts for the year ended 31st March ,2022.

b) Assets and liabilities transferred pursuant to the scheme:

The whole of the assets and liabilities of the Demerged undertaking of Company became the assets and liabilities of the Ddev Plastics Industries Ltd. and were recorded at their book values as appearing in the books of the Demerged Company with effect from the appointed date (i.e. April 1, 2021). The details of assets and liabilities transferred from Company are as under:

| Particulars | | Amount (Rs. In lacs) |
|---|---|---|
| Assets | | |
| (1) Non-current assets | | |
| (a) Property, plant and equipment | | 20,159.63 |
| (b) Right of Use – Lease | | 82.53 |
| (c) Other intangible assets | | 8.47 |
| (d) Financial assets | | |
| | (i) Others Financial Assets | 80.47 |
| (e) Other non-current assets | | 113.29 |
| Total non-current assets | | 20,444.39 |
| (2) Current assets | | |
| (a)Inventories | | 22,815.18 |
| (b) Financial assets | | |
| | (i) Trade receivables | 26,946.60 |
| | (ii) Cash and cash equivalents | 749.15 |
| | (iii) Other financial assets | 316.89 |
| (c) Other current assets | | 7,392.15 |
| Total current assets | | 58,219.97 |
| Total assets | | 78,664.37 |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

| **Particulars** | | **Amount (Rs. In lacs)** |
|---|---|---|
| Liabilities | | |
| (1) Non-current liabilities | | |
| (a) Financial liabilities | | |
| | (i) Borrowings | 34.57 |
| | (ii) Finance Lease Liability | 58.58 |
| (b) Provisions | | 196.21 |
| (c) Deferred tax liabilities (net) | | 2,268.68 |
| Total non-current liabilities | | 2,558.04 |
| (2) Current liabilities | | |
| (a) Financial liabilities | | |
| | (i) Borrowings | 9,170.38 |
| | (ii) Trade payables | 31,960.48 |
| | (iii) Other financial liabilities | 612.23 |
| (b) Other current liabilities | | 398.34 |
| (c) Provisions | | 218.62 |
| Total current liabilities | | 42,360.05 |
| Total liabilities | | 44,918.09 |

c) Equity and Reserves pursuant to the scheme:

Pursuant to the scheme, the difference between the book value of the assets and liabilities transferred to Ddev Plastiks Industries Ltd. has been reduced from the shareholders' fund of the Company as under:

| **Particulars** | **Amount (Rs. In lacs)** |
|---|---|
| Securities Premium | 5,322.45 |
| Capital Reserve & Amalgamation Reserve | 852.96 |
| General Reserve | 3,400.00 |
| Retain Earnings | 24,171.86 |
| **Total** | **33,747.27** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

### 54 ADDITIONAL DISCLOSURES

a) Accounting Ratios

| No. | Name of the Ratio | Numerator | Denominator | FY 2022-23 | FY 2021-22 | % Variance | Reason for variance if more than 25% |
|---|---|---|---|---|---|---|---|
| 1 | Current Ratio (in times) | Current assets | Current liabilities | **4.04** | 1.61 | 150.29% | Due to increase in Current Asset |
| 2 | Debt - Equity Ratio (in times) | Total debt | Equity | **1.29** | 0.56 | 132.79% | Due to increase in Debt |
| 3 | Debt Service coverage ratio* (in times) | Earnings available for debt services | Total debt service | **1.57** | 1.97 | -20.32% | NA |
| 4 | Return on Equity (In %) | Net profit - preferred dividends | Average Shareholder Equity | **0.05** | 0.16 | -66.72% | Due to decrease in Net Profit |
| 5 | Inventory Turnover Ratio (in times) | Sales | Average Inventory | **34.79** | 0.34 | 10133.39% | Due to increase in Sales |
| 6 | Trade receivables turnover ratio (in times) | Net sales | Average accounts receivables | **23.22** | 0.28 | 8191.20% | Due to increase in Sales |
| 7 | Trade payables turnover ratio (in times) | Net purchases | Average trade payables | **140.69** | 0.20 | 70245.72% | Due to increase in Purchase |
| 8 | Net capital turnover ratio (in times) | Net sales | Average Working Capital | **12.37** | 4.26 | 190.51% | Due to increase in Sales |
| 9 | Net profit ratio (in %) | Net profit | Net sales | **0.70%** | 13.20% | -94.71% | Due to decrease in Net Profit |
| 10 | Return on capital employed (in %) | Earning before interest and taxes | Capital employed | **9.60%** | 6.00% | 60.07% | Due to decrease in EBIT |
| 11 | Return on investment (in %) | Income generated from invested funds | Average invested fund in treasury investment | **-** | - | **-** | NA |

**Definitions**

(a) Earning available for debt service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.
(b) Debt service = Interest & Lease Payments + Principal Repayments
(c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2
(d) Net credit sales = Net credit sales consist of gross credit sales minus sales return
(e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
(f) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return
(g) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
(h) Average Working capital = (Opening Current assets - Opening Current liabilities)+(Closing Current assets - Closing Current liabilities)/2.
(i) Earning before interest and taxes = Profit before exeptional items and tax + Finance costs - Other Income
(j) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

b) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

c) The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami Property.

d) The company do not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

e) The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

f) The Company has not advanced any fund to any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the person or entity shall:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Benificiaries); or

ii) provide any guarantee, security or the like on behalf of the Company.

g) The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Benificiaries); or

b) provide any guarantee, security or the like on behalf of the Company.

h) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

i) As at 31st March, 2023, the Register of charges of the company as available in records of Ministry of Corporate Affairs includes charge amount of Rs 10 Crore.

j) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

k) The company has not traded or invested in Crypto currency or Virtual currency during the financial year.

**55 Indian Accounting Standards Standards notified but not yet effective**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31 2023 to amend the following Ind AS which are effective from from April 1, 2023

a. Amendments to Ind AS 8: Definition of Accounting Estimates
b. Amendments to Ind AS 1: Disclosure of Accounting Policies
c. Amendments to Ind AS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction -

Based on preliminary assessment, the Company is currently assessing the impact of the amendments.

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

**For B. Chakrabarti & Associates**
Chartered Accountants
Firm Registration No:305048E

Dipankar Chakravarti
Partner
Membership No.053402
Date : 19th May, 2023
Place : Kolkata

For and on behalf of Board of Directors

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

**Pranab Ranjan Mukherjee**
**(DIN: 00240758)**
Whole Time Director

**Ankita Karnani**
**(Membership No. ACS 33634)**
Company Secretary

**Indar Chand Dakalia**
Chief Financial Officer

# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF KKALPANA INDUSTRIES (INDIA) LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Kkalpana Industries (India) Limited("the parent Company"),its subsidiary and associate (herein after to be referred as "the Group"), which comprises of the consolidated Balance Sheet as at 31st March, 2023, 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. (hereinafter referred to as "the financial statements")

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 the 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 March 31, 2023, its profits (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matters | Auditor's Response |
|---|---|
| **Inventory- existence and valuation as per Ind AS 2**<br><br>Refer to note 12 to the consolidated financial statements. The Company is having the Inventories of **Rs.787.84 lacs** as on 31st March 2023. As described in the accounting policies in 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. | 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<br><br>regarding existence and ownership by:-<br><br>a) Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.<br><br>b) Preforming procedures to ensure that the changes in inventory between the last verification date and date of the balance sheet are properly recorded (Roll forward procedures).<br><br>c) Verifying for a sample of individual products that costs have been correctly recorded. |

| Key Audit Matters | Auditor's Response |
|---|---|
| | d) Assessed the design and tested the operating effectiveness of Internal Control with related to Inventory.<br>e) We also discussed with the management the methodology and assumptions used in the valuation of Inventory.<br>f) We have reviewed the historical accuracy of inventory provisioning and the level of inventory write-offs during the financial year.<br>g) Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision.<br>h) Performing substantive analytical procedures to test the correctness of inventory existence and valuation.<br>i) Testing the accuracy of inventory reconciliations with the general ledger at period end, including test of reconciling items.<br>The procedures performed gave us sufficient evidence to conclude about the inventory existence and valuation. |
| **Revenue Recognition as per Ind AS 115**<br>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, and pricing allowances to customers (collectively 'trade spends').<br>We identified revenue recognition as the key audit matter as revenue is significant to the financial statements owing to its large volume and results in greater audit effort to address the matter.<br>. | **Our audit procedures included:**<br>a) We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.<br>b) 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.<br>c) 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).<br>d) We carried out analytical procedures on revenue recognised during the year to identify unusual variances.<br>e) We tested, on a sample basis, specific revenue transactions recorded before and after the financial year-end date to determine<br>whether the revenue had been recognised in the appropriate financial period.<br>Based on the above procedures performed, no significant exception was noted by us in therevenue recognised by the company during the year. |

**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 the 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 are 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 for the 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 undersection 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a. 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.

b. Obtain an understanding of internal 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 controls system in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. 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 Company'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 Company to cease to continue as a going concern.

e. 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.

f. 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 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 for the financial year ended March 31, 2023, 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) a) We did not audit the financial statement of of M/S Kkalpana Plastick Limited (Associate of Parent Company) included in the Consolidated Financial statements, whose financial statements reflect total assets of 630.37 lacs as at 31st March, 2023 (as at 31st March,2022 678.67) and total comprehensive income/(loss) of Rs. (5.34) lacs for the year ended 31st March, 2023 (as at 31st March,2022 (Rs.5.72) lac) as considered in the consolidated financial statements.

b) b) We did not audit the financial statement of M/S Ddev Plastic Limited (Subsidiary up to 27.09.22) included in the Consolidated Financial Statements, 100% of which was subsidiary up to 27th September 2022 whose financial statements reflect total assets of Rs. 1.36 lacs as at 31st March, 2023 (as at 31st march 2022 Rs. 0.63 lacs) and total comprehensive income/(loss) of Rs.(0.34) lacs as at 31st March, 2023 (as at 31st march 2022 Rs. (0.42) lacs) as considered in the consolidated financial statements.

c) We did not audit the financial statement of M/S Kkalpana Plastics Reprocess Industries Middle east FZE (Subsidiary of Parent Company) included in the Consolidated audited Financial Statements, whose financial statements reflect total assets of AED 1.81 lacs as at 31st March, 2023 (as at 31st march 2022 AED 2.69 lacs), and total comprehensive income/(loss) of AED (1.01) lacs as at 31st March, 2023 (as at 31st march 2022 AED (1.27) lacs) as considered in the consolidated financial statements.

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:

i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.

ii. 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.

iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

iv. In our opinion, the aforesaid consolidated financial statements comply with the accounting standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

v. On the basis of written representations received from the Directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of Holding Company and the reports of the statutory auditors of the subsidiary and associate companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

vi. With respect to the adequacy of the internal financial controls with reference to the financial statement of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.

vii. 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, during the year the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act . The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

viii. 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 litigation of 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 amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year

iv)

a) The respective Managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its subsidiaries or its associate to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its subsidiaries and associate (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective Managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or its subsidiaries and associate from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or its subsidiaries and associate shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

d) The dividend declared or paid during the year by the Group is in compliance with section 123 of the Companies Act, 2013.

(x) Since requirement of maintenance of accounting software which has a feature of audit trail under Rule 3 of the Companies (Accounts) Rules,2014 has been deferred from financial years commencing from 01 April 2022 to financial year commencing from 01 April 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

**For B. Chakrabarti & Associates,**
***Chartered Accountants***
**Firm Registration No : 305048E**

**Dipankar Chakravarti**
**(Partner)**
**Membership No: 053402**
**UDIN: 23053402BGPYVQ3659**

**Place :- Kolkata**
**Date:- 19th Day of May, 2023**

**ANNEXURE ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Kkalpana Industries (India) Ltd (“The Parent Company”) of even date)

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of report of respective auditors of the subsidiary companies and associates incorporated in India, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements.

**For B. Chakrabarti & Associates,**
***Chartered Accountants***
**Firm Registration No : 305048E**

**Dipankar Chakravarti**
**(Partner)**
**Membership No: 053402**
**UDIN:: 23053402BGPYVQ3659**

**Place :- Kolkata**
**Date:- 19th Day of May, 2023**

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**ANNEXURE - B TO THE INDEPENDENT AUDITOR’S REPORT**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” SECTION OF OUR REPORT TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KKALPANA INDUSTRIES (INDIA) LIMITED.**

**Report on the Internal Financial Controls with reference to financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to financial statement of Kkalpana Industries (India) Limited (“the Parent Company”) as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company and its subsidiaries and associate 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 with reference to financial statement 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 (Guidance Note) 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 respective 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 Group internal financial controls with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statement 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 with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls with reference to Financial Statement**

A company's internal financial control with reference to financial statement 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 with reference to financial statement includes those policies and procedures that 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.

**Limitations of Internal Financial Controls with reference to Financial Statement**

Because of the inherent limitations of internal financial controls with reference to financial statement, 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 with reference to financial statement to future periods are subject to the risk that the internal financial control with reference to financial statement 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, to the best of our information and according to the explanations given to us, the group has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2023, based on the internal control with reference to financial statement criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by ICAI.

**For B. Chakrabarti & Associates,**
***Chartered Accountants***
**Firm Registration No : 305048E**

**Dipankar Chakravarti**
**(Partner)**
**Membership No: 053402**
**UDIN: 23053402BGPYVQ3659**

**Place :- Kolkata**
**Date:- 19th Day of May, 2023**

## AUDITED CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2023

(Rs in Lacs)

| | Note No. | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **A ASSETS** | | | |
| **1 Non-current Assets** | | | |
| Property, Plant and Equipment | 4 | 2,711.66 | 2,657.70 |
| Capital Work-in-Progress | 5 | - | 9.49 |
| Investment Property | 6 | 1,281.68 | 1,281.68 |
| Other Intangible Assets | 7 | 0.02 | 0.08 |
| Right of Use - Lease | 8 | 700.68 | 455.67 |
| Financial Assets | | | |
| (i) Investments | 9 | 226.10 | 243.44 |
| (ii) Other Financial Assets | 10 | 93.16 | 48.41 |
| Other Non-Current Assets | 11 | 11.25 | 10.67 |
| | | **5,024.55** | **4,707.14** |
| **2 Current Assets** | | | |
| Inventories | 12 | 787.84 | 776.85 |
| Financial Assets | | | |
| (i) Trade Receivables | 13 | 1,512.55 | 832.51 |
| (ii) Cash & Cash Equivalents | 14 | 1,103.54 | 51.45 |
| (iii) Other Financial Assets | 10 | 270.66 | 464.47 |
| Current Tax Assets (net) | 15 | 146.67 | - |
| Other Current Assets | 16 | 811.48 | 408.83 |
| | | **4,632.74** | **2,534.11** |
| **Total** | | **9,657.29** | **7,241.25** |
| **B EQUITY & LIABILITIES** | | | |
| **1 Equity** | | | |
| Equity Share Capital | 17 | 1,881.46 | 1,881.46 |
| Other Equity | 18 | 1,645.04 | 1,475.96 |
| | | **3,526.50** | **3,357.42** |
| Non Controlling Interest | | **-** | **-** |
| | | **3,526.50** | **3,357.42** |
| **2 Non Current Liabilities** | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 19 | 4,613.00 | 1,867.50 |
| (ii) Lease Liability | 20 | 240.98 | 340.72 |
| Deferred Tax Liabilities (net) | 21 | 139.18 | 122.11 |
| | | **4,993.16** | **2,330.33** |
| **3 Current Liabilities** | | | |
| Financial Liabilities | | | |
| (ii) Lease Liability | 20 | 95.55 | 98.10 |
| (iii) Trade Payables | 22 | | |
| - Micro & Small Enterprises | | 8.60 | 6.82 |
| - Others | | 98.87 | 275.33 |
| (iv) Other Financial Liabilities | 23 | 127.84 | 456.62 |
| Other Current Liabilities | 24 | 785.03 | 568.83 |
| Provisions | 25 | 21.74 | 42.16 |
| Current Tax Liabilities (net) | 26 | - | 105.64 |
| | | **1,137.63** | **1,553.50** |
| **Total** | | **9,657.29** | **7,241.25** |

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. Chakrabarti & Associates**
Chartered Accountants
Firm Registration No:305048E

Dipankar Chakravarti
Partner
Membership No.053402
Date : 19th May, 2023
Place : Kolkata

For and on behalf of Board of Directors

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

**Pranab Ranjan Mukherjee**
**(DIN: 00240758)**
Whole Time Director

**Ankita Karnani**
**(Membership No. ACS 33634)**
Company Secretary

**Indar Chand Dakalia**
Chief Financial Officer

## AUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

(Rs in Lacs)

| | | Note No. | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|---|
| I | **INCOME** | | | |
| | Revenue from Operations | 27 | 27,220.64 | 4,016.15 |
| | Other Income | 28 | 1,497.56 | 631.13 |
| | **Total Income** | | **28,718.20** | **4,647.28** |
| II | **EXPENSES** | | | |
| | Cost of Materials Consumed | 29 | 26,318.70 | 2,739.87 |
| | Changes in Inventories of Finished Goods & Work-in-Progress & Stock-in-Trade | 30 | (179.21) | (187.09) |
| | Employee Benefits Expense | 31 | 391.09 | 399.54 |
| | Finance Costs | 32 | 558.58 | 33.57 |
| | Depreciation & Amortization Expense | 4-7 | 245.62 | 294.65 |
| | Other Expenses | 33 | 1,164.48 | 1,105.49 |
| | **Total Expenses** | | **28,499.26** | **4,386.03** |
| III | **PROFIT BEFORE SHARE OF PROFIT/(LOSS) FROM INVESTMENT IN ASSOCIATE AND TAX** | | **218.94** | **261.25** |
| IV | **SHARE OF PROFIT/(LOSS) OF ASSOCIATE** | | **(17.34)** | **(2.07)** |
| V | **PROFIT BEFORE TAX** | | **201.60** | **259.18** |
| | Tax expense | 34 | | |
| | Current tax | | 22.91 | 91.89 |
| | Deferred tax | | 11.86 | (156.31) |
| | Tax for earlier years | | 15.74 | (177.91) |
| | **Total Tax expense** | | **50.50** | **(242.33)** |
| VI | **PROFIT FOR THE YEAR AFTER TAX** | | **151.09** | **501.51** |
| VII | **OTHER COMPREHENSIVE INCOME** | 35 | | |
| | i Items that will not be classified to profit and loss | | 23.18 | (0.50) |
| | ii Income tax relating to items that will not be classified to profit and loss | | (5.20) | 0.17 |
| | **Total Other Comprehensive Income For The Year** | | **17.98** | **(0.34)** |
| VI | **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **169.07** | **501.18** |
| | **PROFIT/(LOSS) FOR THE YEAR** | | | |
| | **Attributable to** | | | |
| | Equity Holders of the Parent | | **151.09** | 2,383.99 |
| | Non Controlling Interest | | **-** | - |
| | | | **151.09** | **501.51** |
| | **TOTAL COMPRHENSIVE INCOME FOR THE YEAR** | | | |
| | **Attributable to** | | | |
| | Equity Holders of the Parent | | **169.07** | 501.18 |
| | Non Controlling Interest | | **-** | - |
| | | | **169.07** | **501.18** |
| | **EARNING PER EQUITY SHARE** | | | |
| | (Face value of Rs 2/- each) | | | |
| | Basic (Rs.) | | **0.16** | 0.53 |
| | Diluted (Rs.) | | **0.16** | 0.53 |

Significant Accounting Policies and other information 1-4

The accompanying notes form an integral part of the financial statements

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

**For B. Chakrabarti & Associates**
Chartered Accountants
Firm Registration No:305048E

Dipankar Chakravarti
Partner
Membership No.053402
Date : 19th May, 2023
Place : Kolkata

For and on behalf of Board of Directors

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

**Pranab Ranjan Mukherjee**
**(DIN: 00240758)**
Whole Time Director

**Ankita Karnani**
**(Membership No. ACS 33634)**
Company Secretary

**Indar Chand Dakalia**
Chief Financial Officer

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH 2023

(Rs in Lacs)

| Particulars | CONSOLIDATED | | | |
|---|---|---|---|---|
| | 2022-23 (Audited) | | 2021-22 (Audited) | |
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| Profit before tax from continuing operations | | **218.95** | | 261.25 |
| Adjustment for: | | | | |
| Depreciation & amortization expense | 245.62 | | 294.65 | |
| Loss/(Profit) on sale of fixed assets | (0.54) | | - | |
| Unwinding of Interest on security deposit | (2.58) | | (1.98) | |
| Finance cost | 558.58 | | 33.57 | |
| Interest income | (15.27) | | - | |
| Profit on disposal of Investment in Subsidiary | (0.50) | | | |
| Other comprehensive income | 23.18 | | (0.50) | |
| Liability no longer requierd/written back | (3.04) | | | |
| Notional rent on Security deposit | - | | 1.45 | |
| | | **805.46** | | 327.19 |
| **Operating profit before Working Capital changes** | | **1,024.41** | | 588.43 |
| Adjustments for Working Capital changes | | | | |
| Decrease/(increase) in non current financial assets | | | | |
| Other financial assets | 18.29 | | (60.44) | |
| Decrease/(increase) in other non current assets | (0.59) | | (10.58) | |
| Decrease/(increase) in inventories | (10.99) | | (727.91) | |
| Decrease/(increase) in current financial assets | | | | |
| Trade receivables | (680.04) | | 247.03 | |
| Other financial assets | 201.60 | | (293.31) | |
| Decrease/(increase) in other current assets | (402.02) | | (305.11) | |
| Increase/(decrease) in non current provisions | - | | (1.97) | |
| Trade payables | (171.64) | | 270.26 | |
| Other financial liabilities | (322.94) | | 477.12 | |
| Increase/(decrease) in other current liabilities | 216.21 | | 550.99 | |
| Increase/(decrease) in short term provisions | (20.42) | | 38.02 | |
| | | **(1,172.55)** | | 184.10 |
| **Cash generated from operations** | | **(148.14)** | | 772.53 |
| (Tax paid) / refund received (net) | | **(290.95)** | | (320.56) |
| **Net cash from operating activities** | | **(439.09)** | | 451.97 |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Purchase of Property, Plant and Equipment, CWIP and Intangible assets | (171.61) | | (441.99) | |
| Sale proceeds of Property, Plant and Equipment | 13.01 | | | |
| Interest receipt on investments | (375.90) | | | |
| 'Interest receipt on investments | 4.62 | | | |
| Increase in investment in Term deposit | (57.73) | | (0.46) | |
| **Net cash generated / (used) from investing activities** | | **(587.62)** | | (442.45) |

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH 2023

(Rs in Lacs)

| Particulars | CONSOLIDATED | | | |
|---|---|---|---|---|
| | 2022-23 (Audited) | | 2021-22 (Audited) | |
| **C. CASHFLOW FROM FINANCING ACTIVITIES** | | | | |
| Other Proceeds | | | 214.00 | |
| Repayment of long term borrowings | 2,745.50 | | | |
| Payment of Lease Liability | (107.03) | | (13.00) | |
| Effect of exchange rate difference | - | | (0.26) | |
| Dividend paid | - | | (188.15) | |
| Finance cost | (559.67) | | (16.58) | |
| **Net cash from financing activities** | | **2,078.80** | | (3.99) |
| **Net changes in Cash and Bank balances** | | **1,052.09** | | 5.54 |
| **Net Increase / (-) Decrease in Cash and Bank balances** | | | | |
| Balance at the end of the year | | **1,103.54** | | 51.45 |
| | | **-** | | |
| Balance at the beginning of the year | | 51.45 | | 795.06 |
| Add/Less: Amount adjusted pursuant to scheme of arrangement | | **-** | | (749.15) |
| Adjusted Balance at the beginning of Year | | **51.45** | | 45.91 |
| **Net changes in Cash and Bank balances** | | **1,052.09** | | 5.54 |

**For B. Chakrabarti & Associates**
Chartered Accountants
Firm Registration No:305048E

Dipankar Chakravarti
Partner
Membership No.053402
Date : 19th May, 2023
Place : Kolkata

For and on behalf of Board of Directors

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

**Pranab Ranjan Mukherjee**
**(DIN: 00240758)**
Whole Time Director

**Ankita Karnani**
**(Membership No. ACS 33634)**
Company Secretary

**Indar Chand Dakalia**
Chief Financial Officer

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2023

*(Rs. In lacs)*

## A. EQUITY SHARE CAPITAL (Refer Note No. 17)

| | As at 31st March, 20223 | As at 31st March, 2022 |
|---|---|---|
| **Balance at the year beginning** | **1,881.46** | 1,881.46 |
| Changes in equity share capital during the year | - | - |
| **Balance at the year end** | **1,881.46** | 1,881.46 |

## B. OTHER EQUITY (Refer Note No. 18)

**For the year ended 31st March, 2023**

| Particulars | Reserve & Surplus | | | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|
| | Capital Reserve & Amalgamation Reserve | Securities Premium | General Reserve | Retained Earnings | Remeasurement of defined benefit plan | |
| **Balance as at 1st April, 2022** | - | - | - | **1,517.71** | **(41.75)** | **1,475.96** |
| **Add : For the Year** | - | - | - | **151.11** | **17.98** | **169.08** |
| **Balance as at 31st March, 2023** | - | - | - | **1,668.81** | **(23.77)** | **1,645.04** |

For the year ended 31st March, 2022

| Particulars | Reserve & Surplus | | | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|
| | Capital Reserve & Amalgamation Reserve | Securities Premium | General Reserve | Retained Earnings | Remeasurement of defined benefit plan | |
| Balance as at 1st April, 2021 | 852.96 | 5,322.45 | 3,400.00 | 25,375.85 | (41.41) | 34,909.86 |
| Add: Amount adjusted pursuant to scheme of arrangement | (852.96) | (5,322.45) | (3,400.00) | (24,170.86) | - | (33,746.27) |
| Add: Investment amount adjusted pursuant to scheme of arrangement | - | - | - | (0.65) | - | (0.65) |
| Add : For the Year | - | - | - | 501.51 | (0.34) | 501.17 |
| Less: Equity Dividend for the year 2020-21 | - | - | - | (188.15) | - | (188.15) |
| Balance as at 31st March, 2022 | - | - | - | 1,517.71 | (41.75) | 1,475.97 |

**For B. Chakrabarti & Associates**
Chartered Accountants
Firm Registration No:305048E

Dipankar Chakravarti
Partner
Membership No.053402
Date : 19th May, 2023
Place : Kolkata

For and on behalf of Board of Directors

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**Ankita Karnani**
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Company Secretary

**Indar Chand Dakalia**
Chief Financial Officer

# Notes to the consolidated financial statements for the year ended 31st March, 2023

## 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 BK Market 16A, Shakespeare Sarani, 4th Floor, Room No. 3, Kolkata - 700071. The Parent Company along with subsidiary is engaged in the business of different grades of plastic granules.

The consolidated financial statements of the Company for the year ended 31st March, 2023 were authorised for issue in accordance with a resolution of the Board of Directors as on 19th May, 2023.

**Group Overview**

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

Group Structure

| Name of the Company | Country of Incorporation | % of share held by the Parent Company as at 31st March 2023 | % of share held by the Parent Company as at 31st March 2022 |
|---|---|---|---|
| **Subsidiary** | | | |
| Ddev Plastic Ltd.(up to 27.09.22) | India | 0.00% | 100.00% |
| Kkalpana Plastic Reprocess Industries Middleeast FZE | UAE | 100.00% | 100.00% |
| **Associates** | | | |
| Kkalpana Plastick Limited | India | 36.23% | 36.23% |

## 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

### 2.1 Statement of Compliance

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

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

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

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

### 2.2 Basis of Consolidation

**A ) Investment in Subsidiaries**

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

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

-Exposure or rights to variable returns from its involvement with the investee and,

-The ability to use its power over the investee to affect its return.

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

## Notes to the consolidated financial statements for the year ended 31st March, 2023

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

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

Consolidation Procedure

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

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

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

d) Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.
Non-controlling interests in the net assets of consolidated subsidiaries consists of:
(i) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
(ii) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

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

**B) Investment in Associates**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.
The Group's investments in its associate are accounted for using the equity menthod. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the aquisition date.Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.
The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. unrealised gains and losses resulting from the transaction between the Group and the associate are eliminated to the extent of the interest in the associate.

**2.3 Basis of Measurement**

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

(i) Derivative financial instruments

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

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

# Notes to the consolidated financial statements for the year ended 31st March, 2023

**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, 2023

**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.

# Notes to the consolidated financial statements for the year ended 31st March, 2023

Other Claims / Receipts

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

Commission Income

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

## 3.2 Property, Plant and Equipment

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

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

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

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

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

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

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

***Depreciation and Ammortization:-***

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

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

## Notes to the consolidated financial statements for the year ended 31st March, 2023

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

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

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

**3.4 Non Current Assets held for Sale**

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

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

**3.5 Investment Property**

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

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

**3.6 Lease**

Accounting Policy

**The Group as a lessee**

The Group’s lease asset classes primarily consist of leases for buildings and warehouses. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

## Notes to the consolidated financial statements for the year ended 31st March, 2023

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

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

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

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounting rate that reflect the current market assessment of the time value of the money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transaction is taken into account. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

**3.8 <u>Financial Instruments</u>**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**<u>A) Financial Assets</u>**

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

All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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

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

<u>Subsequent measurement</u>

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)

## Notes to the consolidated financial statements for the year ended 31st March, 2023

(a) Financial assets at amortised cost

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

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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

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

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

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

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

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

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

In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’) that would otherwise arise from measuring financial assets and financial liabilities or recognising the gains or losses on them on different bases.

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

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

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

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

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from other comprehensive income to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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

## Notes to the consolidated financial statements for the year ended 31st March, 2023

Derecognition

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

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

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Write Off

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

Impairment of financial assets

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

(a) Financial assets measured at amortised cost

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

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

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

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

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

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

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

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

**B) Financial liabilities**

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

## Notes to the consolidated financial statements for the year ended 31st March, 2023

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

**Subsequent measurement**

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

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

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

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

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

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

(b) Loans and borrowings

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

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

(c) Financial Guarantee Contracts

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

**Derecognition**

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

**Offsetting of financial instruments**

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

**Derivative financial instruments and hedge accounting**

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

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

**3.9 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.

## Notes to the consolidated financial statements for the year ended 31st March, 2023

**3.10 Foreign currency Transactions**

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

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

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

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

**3.11 Fair Value Measurement**

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**3.12 Inventories**

Raw materials

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

## Notes to the consolidated financial statements for the year ended 31st March, 2023

Finished Goods and Traded Goods

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

Stores & Spareparts

Store and Spare Parts are valued at Cost.

**3.13 Employee Benefits**

Short Term Employee Benefits

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

Post Employement Benefits

Defined Contribution Plan

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

Defined benefit plans

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

Defined benefit costs are comprised of:

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

b ) Net interest expense or income; and

c) Re-measurement.

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

**3.14 Borrowing Cost**

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

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.

## Notes to the consolidated financial statements for the year ended 31st March, 2023

Deferred Tax

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

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

**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.

## Notes to the consolidated financial statements for the year ended 31st March, 2023

A liability is current when:

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

  Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

**3.19 Business Combination**

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

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

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

# Notes to the consolidated financial statements for the year ended 31st March, 2023

## 04. Property Plant and Equipment

(Rs. In Lacs)

| Description | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01-04-2022 | Amount Adjusted persuant to Scheme of Arrangement | Addition during the year | Sales/ Disposals | As at 31-03-2023 | As at 01-04-2022 | Amount Adjusted persuant to Scheme of Arrangement | For the Period | Sales/ Disposals | As at 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 |
| **TANGIBLE ASSETS:** | | | | | | | | | | | | |
| Free hold land | 131.99 | - | - | - | 131.99 | - | - | - | - | - | 131.99 | 131.99 |
| Factory Building | 1,097.67 | - | - | - | 1,097.67 | 130.66 | - | 34.90 | - | 165.55 | 932.12 | 967.02 |
| Plant & Machinery | 1,444.20 | - | 162.30 | 11.66 | 1,594.85 | 138.18 | - | 59.12 | 0.08 | 197.22 | 1,397.63 | 1,306.02 |
| Furniture & Fixture | 21.30 | - | 0.38 | - | 21.68 | 16.77 | - | 0.49 | - | 17.26 | 4.42 | 4.53 |
| Motor Car | 6.41 | - | 7.09 | 0.89 | 12.61 | 0.79 | - | 1.06 | - | 1.85 | 10.75 | 5.62 |
| Scooter, Moped & Cycle | 0.00 | - | - | - | 0.00 | (0.00) | - | 0.00 | - | 0.00 | (0.00) | 0.00 |
| Laboratory Equipment | 25.29 | - | 0.93 | - | 26.21 | 8.24 | - | 2.24 | - | 10.48 | 15.73 | 17.04 |
| Electrical Installation | 332.66 | - | 20.22 | - | 352.88 | 119.25 | - | 29.09 | - | 148.34 | 204.54 | 213.42 |
| Office Equipment | 13.03 | - | 1.69 | - | 14.72 | 4.44 | - | 1.90 | - | 6.35 | 8.37 | 8.59 |
| Air Conditioner | 4.20 | - | - | - | 4.20 | 3.40 | - | 0.05 | - | 3.45 | 0.75 | 0.80 |
| Computer | 5.91 | - | 4.62 | - | 10.53 | 3.25 | - | 1.93 | - | 5.18 | 5.35 | 2.66 |
| **Total** | **3,082.68** | **-** | **197.22** | **12.55** | **3,267.35** | **424.99** | **-** | **130.78** | **0.08** | **555.69** | **2,711.66** | **2,657.69** |
| Previous year | 29,117.31 | 26,466.59 | 431.95 | - | 3,082.67 | 6,448.71 | 6,306.96 | 283.22 | 0.00 | 424.97 | 2,657.70 | 22,668.60 |

The title deeds of all the immovable Properties are in the name of the Company.

## 05. Capital Work in Progress

**Details of Capital work-in-progress as at March 31,2023 is as follows:**

| Description | Capital Work in Progress | | | | |
|---|---|---|---|---|---|
| | As at 01-04-2022 | Addition during the year | Capitlised during the year | As at 31-03-2023 | As at 31-03-2022 |
| Capital Work In Progress | 9.49 | 27.02 | 36.50 | - | 9.49 |
| **Total** | **9.49** | **27.02** | **36.50** | **-** | **9.49** |

**Details of Capital work-in-progress as at March 31,2022 is as follows:**

| Description | Capital Work in Progress | | | | |
|---|---|---|---|---|---|
| | As at 01-04-2021 | Addition during the year | Capitlised during the year | As at 31-03-2022 | As at 31-03-2021 |
| Capital Work In Progress | - | 9.49 | - | 9.49 | - |
| **Total** | **-** | **9.49** | **-** | **9.49** | **-** |

**A.Capital Work In Progress**

**Ageing for capital work-in-progress as at March 31,2023 is as follows:**

(Amount In Lacs)

| | Amount in capital work- in- Progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects in Progress | - | - | - | - | - |
| | - | - | - | - | - |

**A.Capital Work In Progress**

**Ageing for capital work-in-progress as at March 31,2022 is as follows:**

(Amount In Lacs)

| | Amount in capital work- in- Progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects in Progress | 9.49 | - | - | - | 9.49 |
| | 9.49 | - | - | - | 9.49 |

# Notes to the consolidated financial statements for the year ended 31st March, 2023

B.Project execuition are modulated basic capacity requirement assessment on regular basis and all the projects are executed as per rolling annual plan.

### 06. Investment Property

| Description | Gross Block | | | | Depreciation / Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01-04-2022 | Addition during the year | Sales/ Disposals | As at 31-03-2023 | As at 01-04-2022 | For the Period | Sales/ Disposals | As at 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 |
| Free Hold Land | 1,281.68 | - | - | 1,281.68 | - | - | - | - | 1,281.68 | 1,281.68 |
| **Total** | **1,281.68** | **-** | **-** | **1,281.68** | **-** | **-** | **-** | **-** | **1,281.68** | **1,281.68** |
| Previous year | 1,281.68 | - | - | 1,281.68 | - | - | - | - | 1,281.68 | 1,281.68 |

### 07. Other Intangible Assets

| Description | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01-04-2022 | Amount Adjusted persuant to Scheme of Arrangement | Addition during the year | Sales/ Disposals | As at 31-03-2023 | As at 01-04-2022 | Amount Adjusted persuant to Scheme of Arrangement | For the Period | Sales/ Disposals | As at 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 |
| Technical Knowhow | - | - | - | - | - | - | - | - | - | - | - | 0.00 |
| Computer Software | 0.76 | - | - | - | 0.76 | 0.68 | - | 0.07 | - | 0.74 | 0.02 | 0.08 |
| **Total** | **0.76** | **-** | **-** | **-** | **0.76** | **0.68** | **-** | **0.07** | **-** | **0.74** | **0.02** | **0.08** |
| Previous year | 228.32 | 227.57 | - | - | 0.76 | 216.23 | 215.62 | 0.07 | - | 0.68 | 0.08 | 12.10 |

### 08. Right of Use - Lease

| Description | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01-04-2022 | Amount Adjusted persuant to Scheme of Arrangement | Addition during the year | Sales/ Disposals | As at 31-03-2023 | As at 01-04-2022 | Amount Adjusted persuant to Scheme of Arrangement | For the Period | Sales/ Disposals | As at 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 |
| Plant & Machinery | 467.03 | - | - | - | 467.03 | 11.35 | - | 93.41 | - | 104.76 | 362.27 | 455.68 |
| Leased Machinery Improvement | - | - | 375.90 | - | 375.90 | - | - | 37.49 | - | 37.49 | 338.41 | - |
| **Total** | **467.03** | **-** | **375.90** | **-** | **842.93** | **11.35** | **-** | **130.89** | **-** | **142.25** | **700.68** | **455.68** |
| Previous year | 93.43 | 93.43 | 467.03 | - | 467.03 | 10.90 | 10.90 | 11.35 | - | 11.35 | 455.68 | 82.53 |

**Other Notes to Note No 04 to 08**

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

A1. There is no Assets pledged as security by the Company during the year.

A2. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for the year ended 31st March, 2023 is Rs.NIL lacs ( 31st March, 2022: Rs.47.59 lacs)

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

B Disclosures for Investment Property

B1. The Company has identified and reclassifed Land at West Bengal amounting Rs 1281.68 Lacs. immovable properties as Investment Properties on the date of transition i.e. 1st April, 2016 on the basis of currently undermined future use.

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

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

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

B5. Since the Land at West Bengal are partial agricultural in 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, 2023

(Rs. In lacs)

| 9 FINANCIAL ASSETS:- NON-CURRENT INVESTMENTS | Face Value Rs. | No. of Shares / Units As at 31st March 2023 | No. of Shares / Units As at 31st March 2022 | Amount As at 31st March 2023 | Amount As at 31st March 2022 |
|---|---|---|---|---|---|
| **Equity Instruments - Fully paid up** | | | | | |
| Unquoted | | | | | |
| (A) Others-At Fair Value Through Profit and Loss | | | | | |
| (i) Panchawati Holiday Resorts Ltd. | **10** | **9,400** | 9,400 | **-** | - |
| Quoted | | | | | |
| (a) Associate-At Cost | | | | | |
| (i) Kkalpana Plastick Limited | **10** | **2,002,920** | 2,002,920 | **226.10** | 243.44 |
| (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 | **-** | - |
| **Total Investments** | | | | **226.10** | 243.44 |
| Less: Provision for diminution in the value of Investments | | | | **-** | - |
| **Net Investments** | | | | **226.10** | 243.44 |
| **Notes:** | | | | | |
| Aggregate carrying amount of Quoted Investments | | | | **226.10** | 243.44 |
| Aggregate market value of Quoted Investments | | | | **230.34** | 684.00 |

(Rs. In lacs)

| 10 FINANCIAL ASSETS - OTHERS | Non Current As at 31st March 2023 | Non Current As at 31st March 2022 | Current As at 31st March 2023 | Current As at 31st March 2022 |
|---|---|---|---|---|
| **Unsecured, considered good** | | | | |
| (a) Security Deposit | **35.43** | 48.41 | **30.65** | 112.94 |
| (b) Investment in Term Deposits (with remaining maturity of more than 12 months) | **57.73** | - | **-** | - |
| (c) Derivative Instruments | | | | |
| Foreign Exchange Forward Contracts | **-** | **-** | **-** | 161.46 |
| (d) Others - Advances Recoverable from | | | | |
| Employees | **-** | - | **51.21** | 60.56 |
| Others | **-** | - | **178.15** | 129.51 |
| (e) Interest Accrued | **-** | - | **10.65** | - |
| **Total** | **93.16** | 48.41 | **270.66** | 464.47 |

| 11. OTHER NON CURRENT ASSETS | 31st March 2023 | 31st March 2022 |
|---|---|---|
| (a) Capital Advances | | |
| (i) Unsecured - considered good | 11.25 | 10.67 |
| **Total** | **11.25** | 10.67 |

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, 2023

### 12. INVENTORIES

| | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| (As taken valued and certified by the management) | | |
| At Cost or NRV whichever is lower | | |
| **(a) Raw materials** | | |
| - In Stock | **368.12** | 558.61 |
| **(b) Finished goods** | | |
| - In Stock | **377.38** | 198.17 |
| **(c) Stores and spares- at Cost** | | |
| - In Stock | **42.34** | 20.08 |
| **Total** | **787.84** | 776.85 |

- During the year ended 31st March 2023 and year ended 31st March 2022 no amount was recognised as an expense for the inventories carried at net realisable value.
- There is no Assets pledged as security by the Company during the year.
- Stores and Spares does not include machinery spares which can be used only in connection with an item of Property Plant and Equipement.

### 13. TRADE RECEIVABLES

| | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| (a) Unsecured, considered good | | |
| (i) Others | **1,545.97** | 865.93 |
| | **1,545.97** | 865.93 |
| Less: Allowance for bad and doubtful debts | **33.42** | 33.42 |
| **Total (Net of Provision)** | **1,512.55** | **832.51** |

- 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 Group has done the Impairment Assesement for Trade Receivables based on expected credit loss model considering the credit risk as significantely low. The Group has used a simplified approach based on a 12 months ECL. A provison matrix has been prepared based on historical credit loss experience adjusted as appropiate to reflect the current conditions and supportable forecast of future economic conditons. The Group has used the adjustment rate of 5% for worsening of future economic conditons.
- **Ageing for Trade Receivables - Current Outstandings as at 31st March,2023 is as follows :-**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months -1 year | 1 year - 2 year | 2 year - 3 year | More than 3 year | |
| **Trade Receivables** | | | | | | | |
| **Undisputed trade receivable-considerd good** | **1,456.45** | **42.41** | **25.66** | **3.93** | **7.53** | **9.99** | **1,545.97** |
| **Undisputed trade receivable-Which have significant increase in credit risk** | - | - | - | - | - | - | - |
| **Undisputed trade receivable-credit impaired** | - | - | - | - | - | - | - |
| **Disputed trade receivable-Considered good** | - | - | | | - | - | - |
| **Disputed trade receivable-Which have significant increase in credit risk** | - | - | - | - | - | - | - |
| **Disputed trade receivable-credit impaired** | - | - | - | - | - | - | - |
| **Total** | **1,456.45** | **42.41** | **25.66** | **3.93** | **7.53** | **9.99** | **1,545.97** |
| **Less: Allowances for doubtful trade receivable** | | | | | | | **33.42** |
| **Grand Total** | | | | | | | **1,512.55** |

## Notes to the consolidated financial statements for the year ended 31st March, 2023

- Ageing for Trade Receivables - Current Outstandings as at 31st March,2022 is as follows :-

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months-1 year | 1 year -2 year | 2 year -3 year | More than 3 year | |
| Trade Receivables | | | | | | | |
| Undisputed trade receivable-considerd good | 283.98 | 512.18 | 42.02 | 8.16 | 8.12 | 11.46 | 865.93 |
| Undisputed trade receivable-Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivable-credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivable-Considered good | - | - | - | - | - | - | - |
| Disputed trade receivable-Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivable-credit impaired | - | - | - | - | - | - | - |
| Total | 283.98 | 512.18 | 42.02 | 8.16 | 8.12 | 11.46 | 865.93 |
| Less: Allowances for doubtful trade receivable | | | | | | | 33.42 |
| Grand Total | | | | | | | 832.51 |

| 14. CASH & CASH EQUIVALENTS | **As at 31st March 2023** | As at 31st March 2022 |
|---|---|---|
| (a) Balance with banks: | | |
| (i) In Current Accounts | **238.00** | 28.08 |
| (ii) In Deposit with Original Maturity of less than 3 months | **602.21** | - |
| (b) Cash in hand (As certified by the management) | **12.25** | 14.31 |
| (c) Other Bank Balance | | |
| (i) Unpaid Dividend account | **9.00** | 9.06 |
| (ii) Deposits with more than 3 months initial maturity | **242.08** | |
| **Total** | **1,103.54** | 51.45 |

| 15. Current Tax Assets (Net) | **As at 31st March 2023** | As at 31st March 2022 |
|---|---|---|
| Unsecured, Considered Good | | |
| - Advance Income Tax (Net of Provisons) | **146.67** | - |
| | **146.67** | - |

| 16. OTHER CURRENT ASSETS | **As at 31st March 2023** | As at 31st March 2022 |
|---|---|---|
| (a) Other Advances | | |
| Unsecured, considered good | | |
| (i) Balances with government departments | **70.22** | 74.09 |
| (ii) Advance to Suppliers | **708.87** | 291.25 |
| (b) Prepaid Expenses | **32.39** | 43.49 |
| **Total (Net of Provision)** | **811.48** | 408.83 |

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

## Notes to the consolidated financial statements for the year ended 31st March, 2023

| 17. EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity ) | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| **Authorised Shares** | | |
| 153,000,000 (Previous Year: 153,000,000) Shares of Rs. 2 each | **3,060.00** | 3,060.00 |
| | **3,060.00** | 3,060.00 |
| **Issued, Subscribed and Paid Up** | | |
| 940,72,930 (Previous Year: 940,72,930) Equity Shares of Rs.2 each | **1,881.46** | 1,881.46 |
| | **1,881.46** | 1,881.46 |

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

| Particulars | As at 31st March 2023 | | As at 31st March 2022 | |
|---|---|---|---|---|
| | 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 (if any) in Indian rupee . In event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in propotion of their shareholding.

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

| Sl. No. | Name of the Shareholders | As at 31st March 2023 | | As at 31st March 2022 | |
|---|---|---|---|---|---|
| | | 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) Details of shareholding of Promoters & Promoter Group**

| Sl. No. | Name of the Promoters & Promoter Group | As at 31st March 2023 | | As at 31st March 2022 | | % Change during the Year |
|---|---|---|---|---|---|---|
| | | No. of Shares held | % of Holding | No. of Shares held | % of Holding | |
| 1 | Late Surendra Kumar Surana | **3,505** | **0.004%** | 3,505 | 0.004% | - |
| 2 | Narrindra Suranna | **500** | **0.001%** | 500 | 0.001% | - |
| 3 | Ddev Surana | **683,850** | **0.727%** | 683,850 | 0.727% | - |
| 4 | Tara Devi Surana | **75,505** | **0.080%** | 75,505 | 0.080% | - |
| 5 | Sarla Surana | **500** | **0.001%** | 500 | 0.000% | - |
| 6 | Bbigplas Poly Pvt Ltd | **69,641,685** | **74.029%** | 69,641,685 | 74.029% | - |

**(e)** The Company for the Period of five year immediately preceding the reporting date has not:
**(i)** Alloted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.
**(ii)** Alloted fully paid shares by way of bonus shares.
**(iii)** Bought Back of any class of shares

## Notes to the consolidated financial statements for the year ended 31st March, 2023

**18. OTHER EQUITY (Refer Statement of Changes in Equity )**

**(a) Security Premium**

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

| | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| As per Last Financial Statement | - | 5,322.45 |
| Add/Less: Amount adjusted pursuant to scheme of arrangement | - | (5,322.45) |
| Add: During the year | - | - |
| | - | - |

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

| | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| As per Last Financial Statement | - | 852.96 |
| Add/Less: Amount adjusted pursuant to scheme of arrangement | - | (852.96) |
| Add: During the year | - | - |
| | - | - |

**(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 2023 | As at 31st March 2022 |
|---|---|---|
| As per Last Financial Statement | - | 3,400.00 |
| Add/Less: Amount adjusted pursuant to scheme of arrangement | - | (3,400.00) |
| Add: During the year | - | - |
| | - | - |

**(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 2023 | As at 31st March 2022 |
|---|---|---|
| As per Last Financial Statement | 1,517.71 | 25,375.85 |
| Add/Less: Amount adjusted pursuant to scheme of arrangement | - | (24,170.86) |
| Add/Less: Amount adjusted pursuant to scheme of arrangement( Investment) | - | (0.65) |
| Less: Equity Dividend | - | (188.15) |
| Add: During the year | 151.11 | 501.51 |
| | - | |
| | 1,668.81 | 1,517.71 |

**(e) Other Comprehensive Income**

| | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| As per Last Financial Statement | (41.75) | (41.41) |
| Add: During the year | 17.98 | (0.34) |
| | (23.77) | (41.75) |
| **Total Reserves (a+b+c+d+e+f)** | 1,645.04 | 1,475.96 |

## Notes to the consolidated financial statements for the year ended 31st March, 2023

### 19. LONG TERM BORROWINGS

| | Non Current | | Current * | |
|---|---|---|---|---|
| | **As at 31st March 2023** | As at 31st March 2022 | **As at 31st March 2023** | As at 31st March 2022 |
| **Unsecured** | | | | |
| **(a)** Long term loan | | | | |
| -Related Party | **4,613.00** | 1,867.50 | **-** | **-** |
| **Total** | **4,613.00** | 1,867.50 | **-** | - |

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

| Long term borrowings | Terms of Repayment | Maturity Date & Interest Rate | Loan Taken Date |
|---|---|---|---|
| **Unsecured** | | | |
| **(a)** Long term loan/deposits | | | |
| **RELATED PARTY** | | | |
| Bbigplas Poly Pvt. Ltd. | Repayable on Demand after 30th March 2027 | 11% from 31st March 2022 to 30th March 2027 | |

### 20 FINANCE LEASE LIABILITY

| | Non Current | | Current * | |
|---|---|---|---|---|
| | **As at 31st March 2023** | As at 31st March, 2022 | **As at 31st March 2023** | As at 31st March, 2022 |
| (i) From Others | **240.98** | 340.72 | **95.55** | 98.10 |
| | **240.98** | 340.72 | **95.55** | 98.10 |

### 21. DEFERRED TAX LIABILITIES (NET)

| | **As at 31st March 2023** | As at 31st March 2022 |
|---|---|---|
| **(a) Liabilities :** | | |
| Depreciation and ammortization expenses | **159.74** | 180.29 |
| Items under financial assets and financial liabilities giving temporary differences | **6.48** | 4.24 |
| **Total (a)** | **166.22** | 184.53 |
| **(b) Assets :** | | |
| Items under financial assets and financial liabilities giving temporary differences | **18.63** | 54.00 |
| Provision for doubtful debts & obsolescence | **8.41** | 8.41 |
| **Total (b)** | **27.04** | 62.42 |
| **Net Liability (a-b)** | **139.18** | 122.11 |

| **Reconciliation of Deferred Tax Assets/ Liabilites (Net):** | **As at 31st March 2023** | As at 31st March 2022 |
|---|---|---|
| Opening balance as at the beginning of the Year | **122.11** | 2,547.27 |
| Less: Amount adjusted pursuant to scheme of arrangement | **-** | (2,268.68) |
| Tax (benefit) / expense during the period recognised in profit or loss | **11.86** | (156.31) |
| Tax impact on items of Other Comprehensive income that will not be classified to profit & loss | **5.20** | (0.17) |
| Closing balance as at the end of the Year | **139.18** | 122.11 |

## Notes to the consolidated financial statements for the year ended 31st March, 2023

| 22. TRADE PAYABLES | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| (a) Micro & Small Enterprises | **8.60** | 6.82 |
| (b) Others | | |
| Acceptances secured * | | - |
| Sundry Creditors for goods | **36.89** | 81.95 |
| Sundry Creditors for expenses | **61.98** | 193.38 |
| **Total** | **107.48** | 282.15 |

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, 2023 – Rs 0.08 lacs.

**Ageing for trade payables outstanding as at March 31, 2023 is as follows:**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Trade payables** | | | | | | |
| MSME* | **4.79** | **3.81** | **-** | **-** | **-** | **8.60** |
| Others | **42.80** | **56.08** | **-** | **-** | **-** | **98.88** |
| Disputed dues - MSME* | **-** | **-** | **-** | **-** | **-** | **-** |
| Disputed dues - Others | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **47.59** | **59.88** | **-** | **-** | **-** | **107.48** |
| Accrued expenses | **-** | | | | | **-** |
| **Grand Total** | | | | | | **107.48** |

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Trade payables** | | | | | | |
| MSME* | **3.43** | **3.39** | | **-** | **-** | **6.82** |
| Others | **275.16** | **0.17** | | **-** | **-** | **275.33** |
| Disputed dues - MSME* | **-** | **-** | **-** | **-** | **-** | **-** |
| Disputed dues - Others | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **278.59** | **3.56** | **-** | **-** | **-** | **282.15** |
| Accrued expenses | **-** | | | | | **-** |
| **Grand Total** | | | | | | **282.15** |

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

| 23. CURRENT FINANCIAL LIABILITIES-OTHER | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| (a) Interest payable on Unsecured Loan | **10.93** | 16.76 |
| (b) Unpaid dividends * | **9.00** | 9.06 |
| (c) Others | | |
| (i) Creditors for Capital Goods | **17.63** | 216.34 |
| (ii) Other Liability | **90.28** | 214.46 |
| **Total** | **127.84** | **456.62** |

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

## Notes to the consolidated financial statements for the year ended 31st March, 2023

| 24. OTHER CURRENT LIABILITIES | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| (a) Advance payments from customers | | |
| (i) Others | **75.41** | 44.21 |
| (ii) Related Party | **691.02** | 507.90 |
| (b) Other payables | | |
| (i) Statutory dues | **18.61** | 16.72 |
| **Total** | **785.03** | 568.83 |

| 25. SHORT TERM PROVISIONS | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| (a) Employee benefits | | |
| Leave encashment (unfunded) | **13.14** | 10.20 |
| Gratuity (Refer Note no.39(b) | **8.59** | 31.96 |
| **Total** | **21.74** | 42.16 |

| 26. CURRENT TAX LIABILITIES (NET) | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|
| Income Tax (Net of Payments) | **-** | **105.63** |
| | **-** | 105.63 |

| 27 REVENUE FROM OPERATIONS<br>(a) Sale of Products | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| (i) Polyethylene | **21,132.45** | 3,978.55 |
| (ii) Others | **6,088.19** | 37.60 |
| **Total** | **27,220.64** | 4,016.15 |

| 28 OTHER INCOME | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| (a) Interest income | **15.27** | - |
| (b) Profit on Sale of Assets | **0.54** | - |
| (c) Exchange difference other than considered as finance cost (net) | **-** | 40.95 |
| (d) Export Incentive | **23.82** | - |
| (e) Unwinding of Interest on security deposit | **2.58** | 1.98 |
| (f) Fair Value gain or (losses) on derivatives | **-** | 138.66 |
| (g) Profit on disposal of Investment in subsidiary | **0.50** | 449.54 |
| (h) Liablity Written back/ No longer requierd | **3.04** | - |
| (i) Other Miscelleaneous Income | **1,451.82** | - |
| **Total** | **1,497.56** | 631.13 |

| 29 COST OF MATERIALS CONSUMED | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| Inventory at the begining of the year | **558.61** | 19,182.93 |
| Add/Less: Amount adjusted pursuant to scheme of arrangement | **-** | (19,111.11) |
| Add: Purchases during the year | **26,128.21** | 3,226.65 |
| Less: Raw Material at the end of the Year | **368.12** | 558.61 |
| Total Cost of Material Consumed | **26,318.70** | **2,739.87** |
| Details of Raw Material Consumed | | |
| LLDPE/ LDPE | 18,565.69 | 364.06 |
| PVC Resin | | - |
| Plastic Scrap | 1,523.91 | 2,234.33 |
| Other items | **6,229.10** | 141.47 |
| | **26,318.70** | 2,739.87 |

## Notes to the consolidated financial statements for the year ended 31st March, 2023

| 30 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| (a) Stocks at the beginning of the year | | |
| Finished goods | 198.17 | 3,067.83 |
| Less: Amount adjusted pursuant to scheme of arrangement | - | (3,056.75) |
| (b) Less: Stocks at the end of the year | | |
| Finished goods | 377.38 | 198.17 |
| **Total** | **(179.21)** | **(187.09)** |

| 31 EMPLOYEE BENEFITS EXPENSE | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| (a) Salaries, Wages, Bonus and Gratuity | 373.61 | 382.08 |
| (b) Contribution to Provident and other funds | 6.43 | 6.03 |
| (c) Workmen and staff welfare expenses | 11.05 | 11.43 |
| **Total** | **391.09** | 399.54 |

| 32 FINANCE COSTS | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| (a) Interest expense | | |
| (i) To Banks | 31.46 | 11.55 |
| (ii) To Others | 516.51 | - |
| (b) Other borrowing costs | 5.86 | 21.78 |
| (c) Unwinding of Interest | 4.74 | 0.25 |
| **Total** | **558.58** | **33.57** |

| 33 OTHER EXPENSES | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| (a) Consumption of Stores and Spare Parts | 76.74 | 51.09 |
| (b) Power & Fuel | 389.16 | 387.85 |
| (c) Rent (Refer Note No. 52) | 73.52 | 63.77 |
| (d) Repair & Maintenance - Building | 110.96 | 183.91 |
| (e) Repair & Maintenance - Machinery | 41.69 | 114.20 |
| (f) Repair & Maintenance - Others | 74.71 | 25.55 |
| (g) Insurance Charges | 23.34 | 25.34 |
| (h) Rates & Taxes | 15.51 | 7.12 |
| (i) Payments to Auditors (Refer Note (i) below) | 2.33 | 5.02 |
| (j) Directors' Fees | 5.25 | 3.50 |
| (k) Selling & Distribution Expenses | 62.83 | 59.07 |
| (l) Security Charges | 31.41 | 36.30 |
| (m) Professional & Consultancy Charges | 42.38 | 7.37 |
| (n) Exchange difference other than considered as finance cost (net) | 93.36 | - |
| (o) CSR expenses (Refer Note No. 38) | - | 73.50 |
| (p) Miscellaneous expenses | 121.30 | 61.90 |
| **Total** | **1,164.48** | 1,105.49 |
| Refer Note :- (i) | | |
| **Auditors' remuneration and expenses** | | |
| Audit fees | **2.08** | 4.37 |
| Tax audit fees | **0.25** | 0.65 |
| Fees for other services | **-** | - |
| | **2.33** | 5.02 |

## Notes to the consolidated financial statements for the year ended 31st March, 2023

| 34 Income Tax | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| **I Income tax related to items charged or credited directly to profit or loss during the year:** | | |
| **(a) Statement of profit and loss** | | |
| (i) Current Income Tax | **22.91** | 91.89 |
| (ii) Deferred Tax expense/ (benefit) | **11.86** | (156.31) |
| (iii) Tax for earlier years | **15.74** | (177.91) |
| | **50.50** | (242.33) |
| **(b) Other Comprehensive Income** | | |
| (i) Deferred Tax related to items recognised in OCI during the year: | | |
| - Net expense/(benefit) on remeasurements of defined benefit plans | **(5.20)** | 0.17 |
| | **(5.20)** | 0.17 |
| **Total (a+b)** | **45.30** | (242.17) |

**II Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2023 and 31st March 2022:**

| | | |
|---|---|---|
| Accounting profit before income tax as per Ind AS | **201.61** | 259.17 |
| At Income tax rate of 25.168% (31st March 2022: 25.168%) | **50.74** | 65.23 |
| Tax effect of items that are not deductible for tax purpose | **10.19** | 15.39 |
| Deferred Tax recognised in OCI | **5.20** | - |
| Tax for Earlier Years | **15.74** | (177.91) |
| Others | **(35.97)** | (152.36) |
| Differential Tax Impact in Subsidiary and Associates | **9.81** | 7.16 |
| At the effective income tax rate | **55.71** | (242.50) |
| Income tax expense reported in the statement of profit and loss | **55.71** | (242.50) |
| Difference | **-** | - |

| 35 Other Comprehensive Income | For the Year 2022-23 | For the Year 2021-22 |
|---|---|---|
| i Items that will not be classified to profit and loss | | |
| - Remeasurement gain/ (losses) on defined benefit plans | **23.18** | (0.50) |
| ii Income tax relating to items that will not be classified to profit and loss | | |
| - Remeasurement gain/ (losses) on defined benefit plans | **(5.20)** | 0.17 |
| **Total** | **17.98** | (0.34) |

## Notes to the consolidated financial statements for the year ended 31st March, 2023

**36 OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS** **(Rs. In lacs)**

**Contingent liabilities & Commitments**

| | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **A** | **Not Provided for:-** | | |
| | (a) Claims against the Group not acknowledged as | | |
| | - Demand raised by following authorities in dispute: | | |
| | (i) Income tax matters | **1243.22** | 489.34 |
| **B** | **Bank Gurantee** | **234.43** | 234.43 |
| **C** | **Capital Commitments** | | |
| | Estimated Value of contracts in Capital account remaining to be excecuted and not provided for (Net of advances) | **-** | 47.59 |
| **D** | **Other Commitments** | | |
| | Letter of Credit | **570.94** | 305.39 |

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

**A.** Loan Given

There are no loans given by the Group.

**B.** Investment Made

There are no investments by the Group other than those stated under Note No. 9 in the financial statements.

**C.** Securities Given

There is no security given during the year.

**38 DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

(a) Gross amount required to be spent by the Group during the year in pursuance to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder : Rs. NIL (PY Rs. 73.50 lacs).

(b) Amount unspent as at 31.3.2023 Rs. Nil (P.Y 31.3.2022 Rs. Nil)

(c) Amount spent during the year 2022-23 (if any) are shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 33):

**(Rs. In lacs)**

| Sl. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| (i) | Spent during the year | | |
| | (a) On construction/ acquisition of any asset | **-** | - |
| | (b) On purpose other than (a) as mentioned above | **-** | 73.50 |
| (ii) | Yet to Spend | **-** | - |
| | **Total** | **-** | **73.50** |

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

| | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **(a)** | **Defined contribution plans:** | | |
| | Contribution to defined contribution plan, recognised as expense for the year as under: | | |
| (i) | Employer's contribution to Government Provident Fund, Pension Fund & ESI | **6.43** | 6.03 |
| | Total | **6.43** | 6.03 |

## Notes to the consolidated financial statements for the year ended 31st March, 2023

**(b) Defined benefit plan:**

**Gratuity**

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

| I | **Following information are based on report of actuary for employee benefit expenses** | Gratuity (Funded) | |
|---|---|---|---|
| | | **As at 31st March, 2023** | As at 31st March, 2022 |
| (A) | Change in present value of the obligation during the year | | |
| | (1) Present value of obligation at year beginning | **79.26** | 429.33 |
| | (2) Current service cost | **5.50** | 4.76 |
| | (3) Interest cost | **5.63** | 29.62 |
| | (4) Benefits paid | **-** | (5.74) |
| | (5) Increase/(Decrease) due to effect of Demerger | **-** | (376.74) |
| | (6) Actuarial (gain) / loss arising from changes in demographic assumptions | **-** | - |
| | (7) Actuarial (gain) / loss arising from changes in financial assumptions | **(0.21)** | (0.25) |
| | (8) Actuarial (gain) / loss arising from changes in experience adjustments | **(22.02)** | (1.73) |
| | (9) Present value of obligation at year end | **68.16** | 79.26 |
| (B) | Change in fair value of plan assets during the year | | |
| | (1) Fair value of plan assets at year beginning | **47.30** | 156.17 |
| | (2) Interest income on plan assets | **3.72** | 11.44 |
| | (3) Expected return on plan assets other than interest income | **(1.55)** | (2.64) |
| | (4) Contribution made by the Employer * | **10.10** | 25.10 |
| | (5) Benefits paid | **-** | (5.74) |
| | (6) Increase/(Decrease) due to effect of Demerger | **-** | (137.04) |
| | (7) Fair value of plan assets at year end | **59.56** | 47.30 |
| (C) | Reconciliation of obligation and fair value of assets | | |
| | (1) Present value of the obligation at year end | **68.16** | 79.26 |
| | (2) Fair value of plan assets at year end | **59.56** | 47.30 |
| | (3) Funded status [surplus / (deficit)] | **(8.59)** | (31.96) |
| (D) | Expense recognised in the Statement of Profit and Loss | | |
| | (1) Current service cost | **5.50** | 4.76 |
| | (2) Interest cost | **5.63** | 29.62 |
| | (3) Interest income on plan assets | **(3.72)** | (11.44) |
| | **Net cost recognised in Profit or Loss** | **7.41** | 22.94 |
| (E) | Recognised in Other Comprehensive Income | | |
| | (1) Expected return on plan assets other than interest income | **1.55** | **2.64** |
| | (2) Actuarial (gain) / loss arising from changes in demographic assumptions | **-** | **-** |
| | (3) Actuarial (gain) / loss arising from changes in financial assumptions | **(0.21)** | **(0.25)** |
| | (4) Actuarial (gain) / loss arising from changes in experience adjustments | **(22.02)** | **(1.73)** |
| | **Net (gain)/ loss recognised in Other Comprehensive Income** | **(20.68)** | 0.66 |
| (F) | Net Defined benefit liability/(Asset) Reconciliation | | |
| | (1) Net Defined benefit liability/(Asset) at the beginning of the year | **31.96** | 273.16 |
| | (2) Defined benefit cost included in P/L | **7.41** | 22.94 |
| | (3) Total remeasurement included in OCI | **(20.68)** | 0.66 |
| | (4) Increase/(Decrease) due to effect of Demerger | **-** | (239.70) |
| | (5) Employers contribution* | **(10.10)** | (25.10) |
| | **Net Defined benefit liability/(Asset) at the end of the year** | **8.59** | 31.96 |

## Notes to the consolidated financial statements for the year ended 31st March, 2023

| | Gratuity (Funded) | |
|---|---|---|
| | **As at 31st March, 2023** | As at 31st March, 2022 |
| **II Maturity profile of defined benefit obligations:** | | |
| Year 1 | **43.54** | 43.83 |
| Year 2 | **5.40** | 1.65 |
| Year 3 | **-** | 18.48 |
| Year 4 | **1.79** | 5.16 |
| Year 5 | **-** | 1.01 |
| Year 6 | **-** | 2.45 |
| Year 7 | **-** | 0.89 |
| Year 8 | **0.06** | 0.86 |
| Year 9 | **1.30** | 1.32 |
| Year 10 | **-** | 0.84 |
| Above 10 years | **NA** | NA |
| **Total expected payments** | **52.10** | 76.51 |

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 1.41 Years (31st March,2022: 2.31 years).

The best estimate contribution for the Group during the next year would be Rs 7.44 lacs. (31st March,2022: Rs. 33.09 lacs).

Amount payable upon discontinouance of all employment is Rs. 68.11 Lacs. (31st March,2022: Rs. 79.81 lacs).

| **III Experience Adjustments on Present Value of DBO and Plan Assets** | **As at 31st March, 2023** | As at 31st March, 2022 |
|---|---|---|
| (Gain)/Loss on Plan Liabilities | **(22.02)** | (1.73) |
| % of Opening Plan Liabilities | **-27.78%** | 0.40% |
| (Gain)/Loss on Plan Assets | **1.55** | 2.64 |
| % of Opening Plan Assets | **3.29%** | 1.69% |

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

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

| | **As at 31st March, 2023** | As at 31st March, 2022 |
|---|---|---|
| Defined Benefit Obligation (Base) | **68.16** | 79.26 |
| (1) One percentage increase in discount rate | **65.62** | 76.40 |
| (2) One percentage decrease in discount rate | **71.23** | 82.46 |
| (3) One percentage increase in rate of salary escalation | **71.34** | 82.02 |
| (4) One percentage decrease in rate of salary escalation | **65.49** | 76.81 |
| (5) One percentage increase in rate of withdrawl rate | **68.45** | 79.43 |
| (6) One percentage decrease in rate of withdrawl rate | **67.98** | 79.06 |
| (7) One percentage increase in rate of mortality rate | **68.21** | - |
| (8) One percentage decrease in rate of mortality rate | **68.10** | - |

## Notes to the consolidated financial statements for the year ended 31st March, 2023

| | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **V** | **Actuarial Assumptions** | | |
| | (1) Discount rate | **7.30%** | 7.10% |
| | (2) Mortality Rate | IALM (2012-14) Table Ultimate | |
| | (3) Salary Esclation - First 5 years | **6% p.a** | 6% p.a |
| | (4) Salary Esclation - After 5 years | **6% p.a** | 6% p.a |
| | (5) Expected Rate of Return on Plan Assets | **7.30%** | 7.10% |
| | (6) Disability Rate | **5% of Mortality Rate** | 5% of Mortality Rate |
| | (7) Retirement Age | **60 years** | 60 years |
| | (8) Average Future Service | **19.12** | 15.6 |
| | (9) Withdrawal rates , based on age: (per annum) | | |
| | Up to 25 years | **8%** | 8% |
| | 26 - 30 years | **7%** | 7% |
| | 31 - 35 years | **6%** | 6% |
| | 36 - 40 years | **5%** | 5% |
| | 41 - 45 years | **4%** | 4% |
| | 46 - 50 years | **3%** | 3% |
| | 51 - 55 years | **2%** | 2% |
| | Above 56 years | **1%** | 1% |
| **VI** | **Weighted average Asset allocation ( as percentage of total plan assets )** | | |
| | (1) Equities | **-** | **-** |
| | (2) Bonds | **-** | **-** |
| | (3) Gilts | **-** | **-** |
| | (4) Insurance Policies | 100% | 100% |
| | **Total** | 100% | 100% |

**40 DISCLOSURES AS REQUIRED BY IND AS 108, OPERATING SEGMENTS**

**(a) Identification of Operating Segments:**

'The Group Operate in a Single Reportable Operating Segment i.e. reprocessed plastic compounds which have similar risk and returns and are of similar nature.

No other operating segments have been aggregated to form the above reportable operating segments as per the criteria specified in the Ind AS.

**(b) Business Segment wise revenue/results/assets/liabilities**

Since there is Single Reportable Operating Segment hence disclosure of Operating Segment wise Assets,Liabilities, Revenue and Results are not applicable.

**(Rs. In lacs)**

| **(c) Geographical Information** | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| (i) | **Segment revenue by location of Customers:** | | |
| | India | **24,071.30** | 4,016.15 |
| | Overseas | **3,149.34** | - |
| | **Total** | **27,220.64** | 4,016.15 |
| (ii) | **Segment Assets by location** | | |
| | India | | |
| | East | **4,694.04** | 4,404.61 |
| | West | **-** | **-** |
| | North | **-** | **-** |
| | Overseas | **-** | - |
| | **Total** | **4,694.04** | 4,404.61 |

## Notes to the consolidated financial statements for the year ended 31st March, 2023

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

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

**(f)** Revenue from top customer is INR 25,731.88 lacs (P.Y Rs. 813.12 lacs from four customers) which is more than 10% of the total revenue of the Group

### 41 DISCLOSURE ON RELATED PARTY TRANSACTIONS

**(A) <u>Related parties and their relationship with the Group :</u>**

| | | |
|---|---|---|
| (i) | **Name of the Related Party** | **Relationship with the Parent Compnay** |
| | Mr. Narrindra Suranna | CEO, Chairman and Managing Director and Promoter (KMP) |
| | Dr P.R. Mukherjee | Director (KMP) |
| | Mr. I.C Dakalia | Chief Financial Officer (KMP) |
| | Ms. Tanvi Panday* | Company Secretary (KMP) |
| | Ms. Ankita Karnani | Company Secretary (KMP) |
| | Mrs. Tara Devi Surana | Promoter |
| | Late Surendra Kumar Surana | Promoter ( Date of death:23.03.2023) |
| | Mrs. Sarla Devi Surana | Promoter |
| | Mr. Ddev Surana | Promoter & Non Executive Director (KMP) |
| (ii) | **Relative of Key Management Personnel (KMP) of the Company** | |
| | **Name of the Relative** | **Relationship with KMP** |
| | Mrs. Tara Devi Surana | Mother of Chairman and Managing Director |
| | Mrs. Sarla Devi Surana | Wife of Chairman and Managing Director |
| | Late Surendra Kumar Surana | Brother of Chairman and Managing Director |
| | Mr. Ddev Surana | Son of Chairman and Managing Director |
| (iii) | Bbigplas Poly Pvt Ltd | Promoter and Holding Company |
| (iv) | Ddev Plastiks Industries Limited | Fellow Subsidiary |
| (v) | Ddev Plastic Limited | Subsidiary till 27.09.2022 |
| (vi) | Kkalpana Plastic Reprocess Industries Middleeast FZE | Subsidiary |
| (vii) | Plastic Processor and Exporters Pvt Ltd. | Fellow Subsidiary |
| (viii) | Kkalpana Plastick Limited | Associate of Parent Compnay & Fellow Subsidiary |

**Notes:-**

*Note : Ms. Tanvi Panday resigned as Company Secretary w.e.f. 01.04.2022

## Notes to the consolidated financial statements for the year ended 31st March, 2023

(B) **Disclosure of transactions with Related Parties during the year ended 31.03.2022** **(Rs. In lacs)**

| Nature of transactions | Ref. to Note (A) above | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **Remuneration to KMP** | | | |
| Mr Narrindra Suranna | (i) | **14.00** | 77.00 |
| Mr Ddev Surana | (i) | **-** | 24.21 |
| Mr Rajesh Kothari | (i) | **-** | 39.52 |
| Dr P.R. Mukherjee** | (i) | **21.34** | 0.19 |
| Mr I.C. Dakalia | (i) | **28.88** | 25.75 |
| Ms. Ankita Karnani | (i) | **5.64** | - |
| Ms Tanvi Panday | (i) | **-** | 9.28 |
| | | **69.87** | 175.95 |

**Note : Dr. PR Mukherjee resigned as Whole Time Director of the Company w.e.f. 30.06.2020 and again appointed as Director of the Company w.e.f. 27.03.2022.

| Nature of transactions | Ref. to Note (A) above | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **Purchase of Goods** | | | |
| Plastic Processors Pvt Ltd. | (vii) | | |
| Capital Goods | | **-** | 5.54 |
| Ddev Plastiks Industries Limited | (iv) | | |
| Goods | | **1,828.23** | - |
| **Sale of Goods** | | | |
| Ddev Plastiks Industries Limited | (iv) | | |
| Goods | | **26,249.08** | - |
| Capital Goods | | **53.23** | - |
| **Interest Expenses** | | | |
| Bbigplas Poly Pvt Ltd | (iii) | **466.70** | - |
| Plastic Processors and Exporter Pvt Ltd. | (vii) | **49.81** | |
| (C) **Balances at the year ended 31.03.2022** | | | |
| **Loan Taken & Outstanding** | | | |
| Bbigplas Poly Pvt Ltd* | (iii) | **4,125.00** | 1,370.00 |
| Plastic Processors Pvt Ltd. | (vii) | **488.00** | 497.50 |
| **Interest Payable** | | | |
| Plastic Processors Pvt Ltd. | (vii) | **10.93** | 16.76 |
| **Net Payable** | | | |
| Ddev Plastiks Industries Limited | (iv) | **691.02** | 507.90 |

### 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.

## Notes to the consolidated financial statements for the year ended 31st March, 2023

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

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

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

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

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

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

**(a) Disclosure for the year ended 31st March, 2023**

| | Carrying Value | Fair Value | Fair Value heirarchy Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| **(1) Financial Assets** | | | | | |
| **Financial Assets at amortised cost** | | | | | |
| Trade Receivables | 1,512.55 | 1,512.55 | - | - | 1,512.55 |
| Other Financial assets excluding derivative financial instruments | 363.82 | 363.82 | - | - | 363.82 |
| Cash & cash equivalents | 1,103.54 | 1,103.54 | - | - | 1,103.54 |
| | 2,979.91 | 2,979.91 | - | - | 2,979.91 |
| **Financial Assets at cost** | | | | | |
| Investments in equity shares | | | | | |
| Associate - | | | | | |
| Kkalpana Plastick Limited | 226.10 | 230.34 | 230.34 | - | - |
| | 226.10 | 230.34 | 230.34 | - | - |
| **Financial Asset at fair value through profit or loss** | | | | | |
| Derivative financial instruments | - | - | - | - | - |
| Investment in Equity Shares - Quoted | | | | | |
| Bank of Baroda | - | - | - | - | - |
| Nicco Corporation Ltd. | - | - | - | - | - |
| Investment in Equity Shares - Unquoted | | | | | |
| Panchawati Holiday Resorts Ltd. | - | - | - | - | - |
| **Assets for which fair values are disclosed** | | | | | |
| Investment Property (Refer Note No. 6 (b)) | - | - | - | - | - |
| **Total** | 3,206.01 | 3,210.24 | 230.34 | - | 2,979.91 |
| **(2) Financial Liability** | | | | | |
| **Financial Liabilities at amortised cost** | | | | | |
| Borrowings from Banks and Financial Institutions | 4,613.00 | 4,613.00 | - | - | 4,613.00 |
| Financial Lease liability | 336.53 | 336.53 | - | - | 336.53 |
| Trade Payables | 107.48 | 107.48 | - | - | 107.48 |
| Other Financial liabilities excluding derivative financial instruments | 127.84 | 127.84 | - | - | 127.84 |
| Total | 5,184.84 | 5,184.84 | - | - | 5,184.84 |
| Total | 5,184.84 | 5,184.84 | - | - | 5,184.84 |

## Notes to the consolidated financial statements for the year ended 31st March, 2023

**(b) Disclosure for the year ended 31st March, 2022**

| | Carrying Value | Fair Value | Fair Value heirarchy Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| **(1) Financial Assets** | | | | | |
| **Financial Assets at amortised cost** | | | | | |
| Trade Receivables | 832.51 | 832.51 | - | - | 832.51 |
| Other Financial assets excluding derivative financial instruments | 351.42 | 351.42 | - | - | 351.42 |
| Cash & cash equivalents | 51.45 | 51.45 | - | - | 51.45 |
| | 1,235.37 | 1,235.37 | - | - | 1,235.37 |
| **Financial Assets at cost** | | | | | |
| Investments in equity shares | | | | | |
| Associate - | | | | | |
| Kkalpana Plastick Limited | 243.44 | 79.85 | 79.85 | - | - |
| | 243.44 | 79.85 | 79.85 | - | - |
| **Financial Asset at fair value through profit or loss** | | | | | |
| Derivative financial instruments | 161.46 | 161.46 | - | 161.46 | - |
| Investment in Equity Shares - Quoted | | | | | |
| Bank of Baroda | - | - | - | - | - |
| Nicco Corporation Ltd. | - | - | - | - | - |
| Investment in Equity Shares - Unquoted | | | | | |
| Panchawati Holiday Resorts Ltd. | - | - | - | - | - |
| **Assets for which fair values are disclosed** | | | | | |
| Investment Property (Refer Note No. 6 (b)) | - | - | - | - | - |
| **Total** | 1,640.27 | 1,476.68 | 79.85 | 161.46 | 1,235.37 |
| **(2) Financial Liability** | | | | | |
| **Financial Liabilities at amortised cost** | | | | | |
| Borrowings from Banks and Financial Institutions | 1,867.50 | 1,867.50 | - | - | 1,867.50 |
| Financial Lease liability | 438.82 | 438.82 | - | - | 438.82 |
| Trade Payables | 282.15 | 282.15 | - | - | 282.15 |
| Other Financial liabilities excluding derivative financial instruments | 456.62 | 456.62 | - | - | 456.62 |
| Total | 3,045.09 | 3,045.09 | - | - | 3,045.09 |
| Total | 3,045.09 | 3,045.09 | - | - | 3,045.09 |

**(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 |

### 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.

## Notes to the consolidated financial statements for the year ended 31st March, 2023

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:

| | **2022-23** | 2021-22 |
|---|---|---|
| | **(+/ -) 50 Basis Points** | (+/ -) 50 Basis Points |
| **Effect on profit before tax due to interest rate sensitivity** | - | - |

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities. The Company manages its foreign currency risk by hedging transactions that are expected to realise in future.

| | | | **As at 31st March, 2023** | | As at 31st March, 2022 | |
|---|---|---|---|---|---|---|
| **Foreign Currency Exposure** | | | **Foreign Currency** | **Functional Currency (Rs. In lacs)** | Foreign Currency | Functional Currency (Rs. In lacs) |
| **I** | **Hedged** | | | | | |
| | Forward contracts | **USD** | **-** | **-** | 21,940,000 | 16,969.49 |
| | Option contracts | **USD** | **-** | **-** | - | - |
| **II** | **Not hedged** | | | | | |
| | Trade receivables | **USD** | **48,252.50** | **39.51** | - | - |
| | | **EURO** | **-** | **-** | - | - |
| | Cash and Cash Equivalents | **USD** | **-** | **-** | - | - |
| | | **EURO** | **-** | **-** | - | - |
| | Trade payables | **USD** | **-** | **-** | - | - |
| | | **EURO** | **-** | **-** | - | - |
| | | **CHF** | **-** | **-** | - | - |
| | **Net Unhedged Portion** | | | | | |
| | Trade receivables | **USD** | **48,252.50** | **39.51** | - | - |

## Notes to the consolidated financial statements for the year ended 31st March, 2023

**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)**

| | 2022-23 | 2021-22 |
|---|---|---|
| | (+/-) 5% | (+/-) 5% |
| USD | 1.98 | - |
| | 1.98 | - |

**Derivative Financial Instrument**

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

**(Rs. In lacs)**

| | | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|---|
| | | Foreign Currency | Fair Value as on 31.03.2023 (Rs.) | Foreign Currency | Fair Value as on 31.03.2022 (Rs.) |
| Derivatives not designated as hedges | | | | | |
| Forward Contracts | USD | - | - | 21,940,000 | 17,108.15 |
| Mark to Market (Gain)/loss in Forward Contract | | - | - | - | 138.66 |

(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.

## Notes to the consolidated financial statements for the year ended 31st March, 2023

The ageing analysis of the receivables (gross of provisions) have been considered from the due date of payment. (Refer Note no. 14)

(ii) Financial Instruments and Cash and bank balances

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

**C. Liquidity Risk**

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

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

| | Less than 1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| **31st March, 2023** | | | | |
| Borrowings | | | | |
| Long Term Loans from Others | **-** | **-** | **4,613.00** | **4,613.00** |
| Other Financial Liabilities | **127.84** | **-** | **-** | **127.84** |
| Trade Payables | **107.48** | **-** | **-** | **107.48** |
| Finance Lease liability | **95.55** | **240.98** | **-** | **336.53** |
| | **330.86** | **240.98** | **4,613.00** | **5,184.84** |

| **31st March, 2022** | Less than 1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| Borrowings | | | | |
| Long Term Loans from Others | - | - | 1,867.50 | 1,867.50 |
| Other Financial Liabilities other than current maturities of borrowings and lease obligation | 456.29 | - | - | 456.29 |
| Trade Payables | 282.15 | - | - | 282.15 |
| Finance Lease liability | 98.10 | 340.72 | - | 438.82 |
| | 836.55 | 340.72 | 1,867.50 | 3,044.76 |

### 44 CAPITAL MANAGEMENT

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

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

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

## Notes to the consolidated financial statements for the year ended 31st March, 2023

| | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| | Borrowings | **4,623.93** | 1,884.26 |
| | Less: Current investments | **-** | - |
| | Less: Cash and cash equivalents | **1,103.54** | 51.45 |
| **(a)** | **Net Debt** | **3,520.39** | 1,832.82 |
| **(b)** | **Equity** | **3,526.50** | **3,357.42** |
| **(c)** | **Equity and Net Debt (a+b)** | **7,046.89** | 5,190.24 |
| | **Gearing Ratio (a/c)** | **49.96%** | 35.31% |

**B. Proposed Dividend**

The Board of directors in its Board meeting held on 19th May, 2023 have recommended the payment of Nil final dividend (March 31,2022 - Rs NIL)..

**45 NET - DEBT RECONCILIATION**

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | Long term Borrowings | Short term borrowings | Long term Borrowings | Short term borrowings |
| Opening Net Debt | **1,867.50** | **16.76** | 2,306.80 | 8,600.32 |
| Less: Amount adjusted pursuant to scheme of arrangement | **-** | **-** | (34.57) | (9,219.05) |
| Proceeds from Borrowings | **2,745.50** | **-** | - | 618.73 |
| Repayment of Borrowings (Net) | **-** | **-** | 404.73 | 0.00 |
| Interest Expenses (including unwinding of Interest) | **516.51** | **42.05** | 0.25 | 33.32 |
| Interest Paid | **516.51** | **47.89** | 0.25 | 16.56 |
| Closing Net Debt | **4,613.00** | **10.93** | **1,867.50** | **16.76** |

**(Rs. In lacs)**

| **46 EARNING PER SHARE (EPS)** | | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|---|
| (a) | Face value of equity shares | Rs. | **2.00** | 2.00 |
| (b) | Profit attributable to equity shareholders | Rs. (in lacs) | **190.07** | 529.94 |
| (c) | Weighted average number of equity shares outstanding | Nos. in lacs | **940.73** | 940.73 |
| (d) | Weighted average Earning Per Share (Basic and Diluted) | Rs. | **0.20** | 0.56 |

**47 RESEARCH & DEVELOPMENT EXPENSES**

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

**(Rs. In lacs)**

| | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| (a) | Revenue expenditure charged to Statement of Profit and Loss | | |
| | Other Expenses | **0.60** | 0.70 |
| (b) | Capital expenditure shown under fixed assets schedule | **0.93** | - |
| | Grand Total | **1.53** | 0.70 |

# Notes to the consolidated financial statements for the year ended 31st March, 2023

## 48 VALUE OF IMPORTED AND INDEGENEOUS MATERIAL CONSUMED

| Particulars | As at 31st March, 2023 | %age of Total Consumption | As at 31st March, 2022 | %age of Total Consumption |
|---|---|---|---|---|
| **Raw Materials** | | | | |
| i Imported | **11,135.01** | **42%** | 2,188.67 | 24% |
| ii Indegeneos | **15,183.70** | **58%** | 551.19 | 76% |
| **Total** | **26,318.70** | **100%** | 2,739.87 | 100% |
| **Store, Spare parts and Components*** | | | | |
| i Imported | **5.76** | **4%** | 218.07 | 45% |
| ii Indegeneous | **135.26** | **96%** | 564.57 | 55% |
| **Total** | **141.02** | **100%** | 782.64 | 100% |

*Note :- The Consumption of store, spare parts and components includes direct store consumption shown seperately in Note -35 and it also includes indirect consumtion in various other expenses head such as Repair and maintenance etc.

## 49 VALUE OF IMPORTS ON CIF BASIS

(Rs. In lacs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Raw Materials | **11,135.01** | 2,188.67 |
| Stors, Spare parts and Components | **5.76** | 218.07 |
| Capital Goods | **-** | - |
| **Total** | **11,140.77** | 2,406.74 |

## 50 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. In lacs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Exports at FOB Value | **86.60** | - |
| **Total** | **86.60** | - |

## 51 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. In lacs)

| Particulars | As at31st March, 2023 | As at31st March, 2022 |
|---|---|---|
| Travelling | **2.59** | 6.29 |
| Interest | **-** | 0.04 |
| Other Matters | **11.17** | 5.82 |
| **Total** | **13.77** | 12.15 |

## 52 LEASES

The Group'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 Group has used following practical expedient, when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

• The Group didn't recognized Right to Use and Lease liabilities for lease for which the lease terms pertaining to the uncancellable period ends within 12 months on the date of initial transition and low value assets.

• The Group excluded initial direct cost from measurement of the Right to Use assets at the date of initial application.

## Notes to the consolidated financial statements for the year ended 31st March, 2023

• The Group uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Hence, the Group has recognised the lease payments associated with those leases as an expense on a straight line basis over the lease term. Lease liabilities were measured at the present value of remaining lease payments, discounted at the Group's acturial 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, 2023.**

| **Particulars** | **(Rs. in lacs) Total** |
|---|---|
| **Balance as at 31st March 2022 (Gross)** | **467.03** |
| Additions for the year | 375.90 |
| **Balance as at 31st March 2023 (Gross)** | **842.93** |
| **Accumulated Amortisation as at 31st March 2022** | **11.35** |
| Amortisation for the year | 130.89 |
| **Accumulated Amortisation as at 31st March 2023** | **142.25** |
| Net Balance as at 31st March 2023 | 700.68 |
| Net Balance as at 31st March 2022 | 455.67 |

**Following is the movement in lease liabilities during the year ended March 31, 2023**

| **Particulars** | **(Rs. in lacs)** |
|---|---|
| **Balance as at 31st March 2022** | 438.82 |
| Additions during the year | - |
| Interest accrued during the year | 4.74 |
| Deletions | - |
| Payment of Lease Liabilities | 107.03 |
| **Balance as at 31st March 2023** | **336.53** |
| - Current lease liabilities | 95.55 |
| - Non Current lease liabilities | 240.98 |

**Break up of Contractual maturities of Lease Liabilities as at March 31, 2022 on an undiscounted basis**

| **Particulars** | **(Rs. in lacs)** |
|---|---|
| Less than 1 year | 107.03 |
| One to Five year | 307.64 |

**Short-term leases expenses incurred for the year ended 31st March, 2023:**

| **Particulars** | **Year Ended 31st March 2023 (Rs. in lacs)** | Year Ended 31st March 2022 (Rs. in lacs) |
|---|---|---|
| Rental expense | **73.52** | **63.77** |

**53 SCHEME OF ARRANGEMENT**

a) Pursuant to the Composite Scheme of Arrangement ('the scheme') between Kkalpana Industries (India) Limited, the Company and their respective shareholders and creditors as approved by the Hon'ble National Law Company Tribunal (NCLT), Kolkata Bench, vide its order dated March 4, 2022, which became effective on **April 1, 2022** on filing with the Registrar of Companies, all the assets and liabilities of the 'transferred business' of Kkalpana Industries (India) Limited i.e. the Compounding Business units situated at Dhulagarh, Howrah(West Bengal), Daman(Dadra & Nagar Haveli and Daman & Diu), Dadra(Dadra & Nagar Haveli and Daman & Diu), Surangi(Dadra & Nagar Haveli and Daman & Diu), Vapi(Gujarat), Delhi(N.C.T. of Delhi) and Mumbai (Maharashtra) registered,marketing, branch and administrative office(s) located in India, have been transferred to and vested in the Company at their respective book values on a going concern basis with effect from the appointed date (i.e. April 1, 2021). Accordingly, the Scheme of Arrangement has been given effect to in these accounts for the year ended 31st March 2022.

## Notes to the consolidated financial statements for the year ended 31st March, 2023

b) Assets and liabilities transferred pursuant to the scheme:

The whole of the assets and liabilities of the Demerged undertaking of Company became the assets and liabilities of the Ddev Plastics Industries Ltd. and were recorded at their book values as appearing in the books of the Demerged Company with effect from the appointed date (i.e. April 1, 2021). The details of assets and liabilities transferred from Company are as under:

| **Particulars** | | **Amount (Rs. In lacs)** |
|---|---|---|
| Assets | | |
| (1) Non-current assets | | |
| (a) Property, plant and equipment | | 20,159.63 |
| (b) Right of Use – Lease | | 82.53 |
| (c) Other intangible assets | | 8.47 |
| (d) Financial assets | | |
| | (i) Others Financial Assets | 80.47 |
| (e) Other non-current assets | | 113.29 |
| Total non-current assets | | 20,444.39 |
| (2) Current assets | | |
| (a)Inventories | | 22,815.18 |
| (b) Financial assets | | |
| | (i) Trade receivables | 26,946.60 |
| | (ii) Cash and cash equivalents | 749.15 |
| | (iii) Other financial assets | 316.89 |
| (c) Other current assets | | 7,392.15 |
| Total current assets | | 58,219.97 |
| Total assets | | 78,664.37 |
| Liabilities | | |
| (1) Non-current liabilities | | |
| (a) Financial liabilities | | |
| | (i) Borrowings | 34.57 |
| | (ii) Finance Lease Liability | 58.58 |
| (b) Provisions | | 196.21 |
| (c) Deferred tax liabilities (net) | | 2,268.68 |
| Total non-current liabilities | | 2,558.04 |
| (2) Current liabilities | | |
| (a) Financial liabilities | | |
| | (i) Borrowings | 9,170.38 |
| | (ii) Trade payables | 31,960.48 |
| | (iii) Other financial liabilities | 612.23 |
| (b) Other current liabilities | | 398.34 |
| (c) Provisions | | 218.62 |
| Total current liabilities | | 42,360.05 |
| Total liabilities | | 44,918.09 |

c) Equity and Reserves pursuant to the scheme:

Pursuant to the scheme, the difference between the book value of the assets and liabilities transferred to Ddev Plastiks Industries Ltd. has been reduced from the shareholders' fund of the Company as under:

| **Particulars** | **Amount (Rs. In lacs)** |
|---|---|
| Securities Premium | 5,322.45 |
| Capital Reserve & Amalgamation Reserve | 852.96 |
| General Reserve | 3,400.00 |
| Retain Earnings | 24,171.86 |
| **Total** | **33,747.27** |

## Notes to the consolidated financial statements for the year ended 31st March, 2023

### 54 ADDITIONAL DISCLOSURES

a) Accounting Ratios

| No | Name of the Ratio | Numerator | Denominator | FY 2022-23 | FY 2021-22 | % Variance | Reason for variance if more than 25% |
|---|---|---|---|---|---|---|---|
| 1 | Current Ratio (in times) | Current assets | Current liabilities | **4.07** | 1.63 | 150% | Due to increase in Current Asset |
| 2 | Debt - Equity Ratio (in times) | Total debt | Equity | **1.31** | **0.56** | 134% | Due to increase in Debt |
| 3 | Debt Service coverage ratio* (in times) | Earnings available for debt services | Total debt service | **1.54** | 1.97 | -22% | NA |
| 4 | Return on Equity (In %) | Net profit - preferred dividends | Average Shareholder Equity | **4.39%** | 16.00% | -73% | Due to decrease in Net Profit |
| 5 | Inventory Turnover Ratio (in times) | Sales | Average Inventory | **34.79** | 0.34 | 10133% | Due to increase in Sales |
| 6 | Trade receivables turnover ratio (in times) | Net sales | Average accounts receivables | **23.22** | 0.28 | 8191% | Due to increase in Sales |
| 7 | Trade payables turnover ratio (in times) | Net purchases | Average trade payables | **134.12** | 0.20 | 66959% | Due to increase in Purchase |
| 8 | Net capital turnover ratio (in times) | Net sales | Average working Capital | **12.16** | 4.26 | 186% | Due to increase in Sales |
| 9 | Net profit ratio (in %) | Net profit | Net sales | **0.56%** | 13.20% | -96% | Due to decrease in Net Profit |
| 10 | Return on capital employed (in %) | Earning before interest and taxes | Capital employed | **9.18%** | 6.00% | 53% | Due to decrease in EBIT |
| 11 | Return on investment (in %) | Income generated from invested funds | Average invested fund in treasury investment | - | - | - | |

**Definations**

(a) Earning available for debt service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.

(b) Debt service = Interest & Lease Payments + Principal Repayments

(c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2

(d) Net credit sales = Net credit sales consist of gross credit sales minus sales return

(e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2

(f) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return

(g) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2

(h) Working capital = Current assets - Current liabilities.

(i) Earning before interest and taxes = Profit before exeptional items and tax + Finance costs - Other Income

(j) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

b) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## Notes to the consolidated financial statements for the year ended 31st March, 2023

c) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami Property.

d) The Group do not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

e) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

f) The Group has not advanced any fund to any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the person or entity shall:
   i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Benificiaries); or
   ii) provide any guarantee, security or the like on behalf of the Group.

g) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Benificiaries); or
   b) provide any guarantee, security or the like on behalf of the Group.

h) The Group has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

i) As at 31st March, 2023, the Register of charges of the company as available in records of Ministry of Corporate Affairs includes charge amount of Rs 10 Crore.

j) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

k) The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

**55 Indian Accounting Standards Standards notified but not yet effective**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31 2023 to amend the following Ind AS which are effective from from April 1, 2023

a. Amendments to Ind AS 8: Definition of Accounting Estimates
b. Amendments to Ind AS 1: Disclosure of Accounting Policies
c. Amendments to Ind AS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction -

Based on preliminary assessment, the Group is currently assessing the impact of the amendments.

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

**For B. Chakrabarti & Associates**
Chartered Accountants
Firm Registration No:305048E

Dipankar Chakravarti
Partner
Membership No.053402
Date : 19th May, 2023
Place : Kolkata

For and on behalf of Board of Directors

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

**Pranab Ranjan Mukherjee**
**(DIN: 00240758)**
Whole Time Director

**Ankita Karnani**
**(Membership No. ACS 33634)**
Company Secretary

**Indar Chand Dakalia**
Chief Financial Officer

NOTES


Regd. Office :

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Website : www.kkalpanagroup.com