

## INDEPENDENT AUDITORS' REPORT

TO  
THE MEMBERS OF  
KKALPANA INDUSTRIES (INDIA) LIMITED

### Report on the Financial Statements

We have audited the accompanying Standalone financial statements of **Kkalpana Industries (India) Ltd.** ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true

and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit and its Cash Flow for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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.

**As required by section 143 (3) of the Act, we report that:**

we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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;

the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

in our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

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

The Company does not have any pending litigations which would impact its financial position.

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management.

*For and on behalf of*

**B. MUKHERJEE & CO.**

CHARTERED ACCOUNTANTS

Firm Registration No. 302096E

**B. MUKHERJEE**

PARTNER

(Membership No. 002941)

Place: Kolkata

Date: 30th May, 2017

## **“Annexure A” to the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- (2) The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- (4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (6) As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company has been maintained.
- (7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- (9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

- (11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

*For and on behalf of*  
**B. MUKHERJEE & CO.**  
*CHARTERED ACCOUNTANTS*  
Firm Registration No. 302096E  
**B. MUKHERJEE**  
*PARTNER*  
(Membership No. 002941)

Place: Kolkata  
Date: 30th May, 2017

## **“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Kkalpana Industries (India) Ltd.**

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

We have audited the internal financial controls over financial reporting of Kkalpana Industries (India) Ltd (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*For and on behalf of*

**B. MUKHERJEE & CO.**

*CHARTERED ACCOUNTANTS*

Firm Registration No. 302096E

**B. MUKHERJEE**

*PARTNER*

(Membership No. 002941)

Place: Kolkata

Date: 30th May, 2017

**BALANCE SHEET AS AT 31ST MARCH, 2017**

(₹ in Lacs)

	Note	As at March 31st, 2017		As at March 31st, 2016	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholder's Funds</b>					
Share Capital	2	1,881.46		1,881.46	
Reserve and Surplus	3	<b>25,283.31</b>	<b>27,164.77</b>	22,447.25	24,328.71
<b>Non-current liabilities</b>					
Long-term borrowings	4	<b>8,193.59</b>		7,131.95	
Deferred tax liabilities (Net)	5	<b>2,410.06</b>		2,073.37	
Long-term provisions	6	<b>54.41</b>	<b>10,658.06</b>	42.41	9,247.73
<b>Current liabilities</b>					
Short-term borrowings	7	<b>26,583.76</b>		26,205.00	
Trade payables	8	<b>14,727.76</b>		13,394.16	
Other current liabilities	9	<b>3,270.31</b>		3,978.38	
Short-term provisions	10	<b>826.41</b>	<b>45,408.24</b>	732.57	44,310.11
<b>TOTAL</b>			<b>83,231.07</b>		<b>77,886.55</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Fixed assets</b>					
Tangible assets	11	<b>22,393.08</b>		20,577.53	
Intangible assets		<b>20.69</b>		25.01	
Capital work-in-progress		<b>1,401.00</b>	<b>23,814.77</b>	373.31	20,975.85
<b>Non-current investments</b>	12	<b>289.60</b>		260.92	
<b>Long-term loans and advances</b>	13	<b>135.58</b>	<b>425.18</b>	119.21	380.13
<b>Current assets</b>					
Inventories	14	<b>17,356.32</b>		10,007.87	
Trade receivables	15	<b>34,970.71</b>		37,382.77	
Cash and Bank Balances	16	<b>2,227.36</b>		2,777.69	
Short-term loans and advances	17	<b>4,424.66</b>		6,328.02	
Other current assets	18	<b>12.07</b>	<b>58,991.12</b>	34.23	56,530.57
<b>TOTAL</b>			<b>83,231.07</b>		<b>77,886.55</b>

Significant accounting policies 1

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

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

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

**B. Mukherjee**  
 Partner  
 Membership No.002941  
 Date : 30th May, 2017  
 Place : Kolkata

For and on behalf of the Board of Directors

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

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

**A. B. Chakrabarty**  
 (Membership No. FCS 7184)  
 Company Secretary

**Indar Chand Dakalia**  
 Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

(₹ in Lacs)

	Note	Year Ended March 31st, 2017	Year Ended March 31st, 2016
<b>INCOME</b>			
<b>Revenue from operations</b>	19	<b>213,096.96</b>	200,545.11
Less: Excise duty		<b>18,699.98</b>	14,774.16
Revenue from operations (net)		<b>194,396.98</b>	185,770.95
Other Income	20	<b>1,329.52</b>	1,886.93
<b>Total Revenue</b>		<b>195,726.50</b>	187,657.88
<b>EXPENSES</b>			
Cost of materials consumed	21	<b>172,555.15</b>	161,410.37
Changes in inventories of finished goods	22	<b>497.09</b>	4,198.38
Employee benefits expense	23	<b>2,216.36</b>	1,942.51
Finance costs	24	<b>4,438.73</b>	5,104.62
Depreciation and amortization expense		<b>1,313.95</b>	1,463.40
Less: Depreciation on amount added on revaluation		<b>0.19</b>	14.48
Other expenses	25	<b>10,968.27</b>	9,181.42
<b>Total expenses</b>		<b>191,989.36</b>	183,286.23
<b>Profit before exceptional and extraordinary items and tax</b>		<b>3,737.14</b>	4,371.65
Exceptional & extraordinary items		-	2,668.98
Loss On Impairment of Assets		-	-
Loss On Assets Destroyed by Fire		-	-
<b>Profit before tax</b>		<b>3,737.14</b>	1,702.67
Tax expense:			
Current Tax Expenses		<b>826.41</b>	387.07
Deferred Tax		<b>336.69</b>	176.25
		<b>1,163.10</b>	563.32
<b>Profit for the year</b>		<b>2,574.04</b>	1,139.35
Earnings per equity share: (Refer note no.28)		₹	₹
Basic		<b>2.74</b>	1.21
Diluted		<b>2.74</b>	1.21

Significant accounting policies

1

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

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

For **B. Mukherjee & Co.****Chartered Accountants**

Firm Registration No:302096E

**B. Mukherjee**

Partner

Membership No.002941

Date : 30th May, 2017

Place : Kolkata

For and on behalf of the Board of Directors

**Narrindra Suranna**

(DIN 00060127)

Chairman and Managing Director

**Rajesh Kumar Kothari**

(DIN 02168932)

Whole Time Director

**A. B. Chakrabarty**

(Membership No. FCS 7184)

Company Secretary

**Indar Chand Dakalia**

Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

(₹ in Lacs)

	Year Ended March 31st, 2017	Year Ended March 31st, 2016
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extra Ordinary Items	3,737.14	4,371.65
Add: Depreciation	1,313.95	1,463.40
Profit on sale of Fixed Assets	(114.24)	(487.68)
Finance Costs	4,438.73	5,104.62
	<u>9,375.58</u>	<u>10,451.99</u>
Less: Interest Income	163.54	-
Revaluation Reserve	111.22	14.48
Effect of Transitional Provison		
Amount transferred to General Reserve	(111.02)	-
Change in Foreign Currency Translation Difference	(262.21)	(3.88)
	<u>(98.48)</u>	<u>10.60</u>
Operating Profit before Working Capital Changes	<u>9,474.05</u>	<u>10,441.38</u>
Adjustment for:		
Trade and Other Receivables	4,337.58	(950.80)
Long Term Loans & Advances	(16.37)	234.55
Inventories	(7,348.45)	2,931.66
Trade payables and other liabilities	637.53	(945.73)
	<u>(2,389.71)</u>	<u>1,269.69</u>
Cash Generated before Extra Ordinary Items	<u>7,084.34</u>	<u>11,711.07</u>
Extra Ordinary Items	-	2,668.98
Cash Generated from Operations	<u>7,084.34</u>	<u>9,042.09</u>
Direct Tax paid (net of refunds)	732.57	309.13
<b>Net Cash Generated from Operating Activities (A)</b>	<u>6,351.77</u>	<u>8,732.96</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Tangible/Intangible assets	(4,236.38)	(4,211.94)
Sale of fixed assets	197.75	3,704.04
Purchase of Investments	-	(7.32)
Interest Received	163.54	77.75
<b>Net Cash Generated from Investing Activities (B)</b>	<u>(3,875.09)</u>	<u>(437.47)</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	1,061.64	(4,004.45)
Non Current Investmetns	(28.68)	
Short Term Borrowings (net)	378.75	(63.12)
Interest Paid	(4,438.73)	(5,104.62)
<b>Net Cash Generated from Financing Activities (C)</b>	<u>(3,027.02)</u>	<u>(9,172.19)</u>

	Year Ended March 31st, 2017	Year Ended March 31st, 2016
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(550.34)</b>	<b>(876.70)</b>
Cash and Cash equivalents at the beginning of the year	2,777.69	3,654.39
<b>Cash and Cash equivalents at the end of the year</b>	<b><u>2,227.36</u></b>	<b><u>2,777.69</u></b>

**NOTES:**

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

Cash on Hand	37.10	112.19
Balances with scheduled banks:		
- In Current Accounts	477.18	541.26
- In EEFC Accounts	81.38	250.74
- In Margin & Guarantee Deposit Accounts*	1,597.88	1,831.58
- In Unpaid Dividend Account*	33.82	41.92
	<u>2,227.36</u>	<u>2,777.69</u>

\* Balances not available for use by the Company

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

For **B. Mukherjee & Co.**

**Chartered Accountants**

Firm Registration No:302096E

**B. Mukherjee**

*Partner*

Membership No.002941

Date : 30th May, 2017

Place : Kolkata

**For and on behalf of the Board of Directors**

**Narrindra Suranna**

(DIN 00060127)

*Chairman and Managing Director*

**Rajesh Kumar Kothari**

(DIN 02168932)

*Whole Time Director*

**A. B. Chakrabarty**

(Membership No. FCS 7184)

*Company Secretary*

**Indar Chand Dakalia**

*Chief Financial Officer*

## **Notes to the Financial Statements for the year ended 31st March, 2017**

### **1. SIGNIFICANT ACCOUNTING POLICIES**

#### **i) Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 (the Act), read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act and clause 6 of the General Instructions given in Schedule III to the Act, the terms used in these financial statements are in accordance with the Accounting Standards as referred to herein.

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

#### **ii) Use of Estimates**

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

#### **iii) Tangible Fixed Assets**

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

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

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

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

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

#### **iv) Intangible Assets**

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

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

#### **v) Depreciation and Amortisation**

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

## **Notes to the Financial Statements for the year ended 31st March, 2017**

Given below the number of years which has been considered for providing depreciation.”

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

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

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

### **vi) Impairment of Tangible and Intangible Assets**

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **vii) Revenue Recognition**

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

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

### **viii) Foreign currency Transactions**

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

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

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account.

### **ix) Financial Derivatives Hedging Transactions**

In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement are recognised in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

Derivatives contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statements.

## **Notes to the Financial Statements for the year ended 31st March, 2017**

### **x) Investments**

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

Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

### **xi) Inventories**

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

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

### **xii) Retirement and other Employee Benefits**

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

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

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

### **xiii) Borrowing Cost**

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

### **xiv) Current and deferred tax**

Provision for current income tax is made in accordance with the provisions of the Income-tax Act, 1961.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

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

### **xv) Provisions and Contingent Liabilities**

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

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

### **xvi) Earnings per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period after deducting any attributable tax thereto for the period by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

	<u>As at March 31st, 2017</u>	<u>As at March 31st, 2016</u>
<b>2. SHARE CAPITAL</b>		
<b><u>Authorised</u></b>		
153,000,000 Equity Share of ₹ 2/- Each	<u>3,060.00</u>	<u>3,060.00</u>
(Previous Year : 153,000,000 Equity Shares of ₹ 2/- each)		
<b><u>Issued, Subscribed &amp; Paid Up</u></b>		
940,72,930 Equity Share of ₹ 2/- Each	<u>1,881.46</u>	<u>1,881.46</u>
(Previous Year : 940,72,930 Equity Shares of ₹ 2/- each)		
	<u>1,881.46</u>	<u>1,881.46</u>

**i) Terms/ Rights attached to Equity Shares:**

The Company has only one class of shares referred to as equity shares having a par value of 2/-. Each holder of equity shares is entitled to vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion of their shareholding.

**ii) Reconciliation of the number of shares**

<u>Equity Shares:</u>	<u>Number of Shares</u>	<u>Amount</u>	<u>Number of Shares</u>	<u>Amount</u>
Balance as at the beginning of the year	94,072,930	1,881.46	94,072,930	1,881.46
Add: Shares Issued during the year	Nil	-	-	-
Less: Shares bought back	Nil	-	-	-
Balance as at the end of the year	<u>94,072,930</u>	<u>1,881.46</u>	<u>94,072,930</u>	<u>1,881.46</u>

Shares Outstanding at the end of the year - 1,881.46

\* Pursuant to the sub-division of the Equity shares of the Company, each Equity share of the face value of ₹ 10/- was subdivided into 5 Equity shares of the face value of ₹ 2/- each fully paid up w.e.f. May 22, 2015 and it ranks pari-passu in all respect with existing fully paid up Equity Shares of ₹10/- each.

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

<u>Name of Share Holder</u>	<u>Number of Shares</u>	<u>% holding</u>	<u>Number of Shares</u>	<u>% holding</u>
Sri Ram Financial Consultants Pvt. Ltd	44,785,170	47.61%	44,785,170	47.61%
Shyambaba Trexim Pvt. Ltd.	15,551,680	16.53%	15,551,680	16.53%
Subh Labh Vintrade Pvt. Ltd	7,750,000	8.24%	7,750,000	8.24%
Inbara Holdings Pvt. Ltd	7,250,000	7.71%	7,250,000	7.71%

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

Number of Equity Shares of Rs.10/- each allotted as fully paid up pursuant to contract (Scheme of Amalgamation/ Arrangements) without payment being received in Cash in the year 2010-11	26,072,930	26,072,930
--	------------	------------

## Notes to the Financial Statements for the year ended 31st March, 2017

	(₹ in Lacs)			
	As at		As at	
	<u>March 31st, 2017</u>		<u>March 31st, 2016</u>	
<b>3. RESERVE AND SURPLUS</b>				
<b>Capital Reserve</b> (Balance as per last account)		12.91		12.91
<b>Securities Premium Account</b> (Balance as per last account)		5,322.45		5,322.45
<b>Amalgamation Reserve</b> (Balance as per last account)		840.05		840.05
<b>Foreign Currency Monetary Item Translation Difference Account</b>				
Balance as per Last Account	(262.21)		(266.08)	
Exchange Gain/(Loss) during the year	-		(111.03)	
Ammortization during the year	<u>262.21</u>	0.00	<u>114.91</u>	(262.21)
<b>Revaluation Reserve</b>				
Balance as at the beginning of the year	153.82		168.29	
Less: Depreciation arising out of revaluation	<u>111.22</u>	42.60	<u>14.48</u>	153.82
<b>General Reserve</b>				
Balance as at the beginning of the year	3,400.00		3,400.00	
Add: Transfer from Revaluation Reserve during the year	111.02			
		<u>3,511.02</u>		3,400.00
<b>Surplus in Statement of Profit and Loss</b>				
Balance as at the beginning of the year	12,980.23		11,840.89	
Add: Adjustment for Depreciation as per Schedule II of Companies Act 2013.				
Add: Adjustment for Deferred Tax				
Add: Profit for the year	<u>2,574.04</u>		<u>1,139.35</u>	
	<u>15,554.28</u>		<u>12,980.23</u>	
Less: Appropriation				
Proposed Dividend on Equity Shares	-		-	
Tax on Proposed Dividend	-		-	
Transferred to General Reserve	-	<u>15,554.28</u>	-	<u>12,980.23</u>
		<u>25,283.31</u>		<u>22,447.25</u>
<b>4. LONG TERM BORROWINGS</b>				
	<u>Non</u>		<u>Non</u>	
	<u>Current</u>	<u>Current</u>	<u>Current</u>	<u>Current</u>
<b>Secured</b>				
Term Loan from Banks	5,041.77	1,870.36	4,031.65	3,000.15
Vehicle Loan	82.55		114.59	
<b>Unsecured</b>				
Other Loans	3,069.27		2,985.71	
	<u>8,193.59</u>	<u>1,870.36</u>	<u>7,131.95</u>	<u>3,000.15</u>

**Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

**i) Terms of repayment of long-term borrowings are as follows:****Term Loans from Banks**

- a) Rupee term loan 5041.77 lacs (31.03.2016 3210.72 lacs loan is secured by 1st pari pasu charge by way of equitable mortgage over all present.hypothecation of present & future Current Assets of the Company on Second pari-passu basis) secured by 1st pari pasu charge by way of equitable mortgage over all present and future movable and immovable properties of the company except Falta and Dankuni and 2nd pari pasu basis charge on all Fixed Assets except Daman, Falta and Dankuni.

**Term Loan from Others**

- a) Indian rupee loan amounting 82.55 lacs (31.03.2016: 114.59 lacs) is secured by Hypothecation against Motor Car and repayable in 60 equal monthly installments.

	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
<b>5. <u>DEFERRED TAX LIABILITIES (NET)</u></b>		
<b>Deferred tax liability</b>		
Related to Fixed Assets	<b>2,410.06</b>	2,073.37
<b>Net Deferred tax liability</b>	<b>2,410.06</b>	2,073.37
<b>6. <u>LONG-TERM PROVISIONS</u></b>		
<u>Provision for employee benefits:</u>		
Provision for gratuity (net)	<b>54.41</b>	42.41
	<b>54.41</b>	42.41
<b>7. <u>SHORT-TERM BORROWINGS</u></b>		
<b><u>Secured</u></b>		
Loan repayable on demands	<b>26,583.76</b>	26,205.00
From Banks*		
<b><u>Unsecured</u></b>		
Short term loan from Bank	-	-
	<b>26,583.76</b>	26,205.00

\* Includes Buyers Credit and Packing Credit

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

## **Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

	<b>As at March 31st, 2017</b>	As at March 31st, 2016
<b>8. <u>TRADE PAYABLES</u></b>		
Acceptances - Secured (Refer Note (i) below)	<b>6,430.50</b>	10,299.50
Sundry Creditors (Refer Note (ii) & (iii) below)	<b>8,297.26</b>	3,094.66
	<b><u>14,727.76</u></b>	<u>13,394.16</u>
<p>i) Secured by way of hypothecation of stocks &amp; book debts in favour of the company's bankers</p>		
<p>ii) <u>Sundry Creditors:</u></p>		
Sundry creditors for goods	<b>7,337.88</b>	2,425.64
Sundry creditors for expenses	<b>959.39</b>	669.02
	<b><u>8,297.26</u></b>	<u>3,094.66</u>
<p>iii) The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Act 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act has not been given.</p>		
<b>9. <u>OTHER CURRENT LIABILITIES</u></b>		
Current maturities of Long term debt (Refer Note No.4)	<b>1,870.36</b>	3,000.15
Unpaid Dividend (Refer Note (i) below)	<b>33.83</b>	41.92
Statutory dues including provident fund and tax deducted at source	<b>308.68</b>	180.28
Creditors for Capital Expenditure	<b>140.59</b>	(48.59)
Advance from customers	-	-
Other Liabilities	<b>916.86</b>	804.62
	<b><u>3,270.31</u></b>	<u>3,978.38</u>
<p>i) There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.</p>		
<b>10. <u>SHORT- TERM PROVISIONS</u></b>		
Provision for taxation (Net of tax payments)	<b>826.41</b>	732.57
Provision for proposed dividend on equity shares	-	-
Provision for tax on proposed dividends	-	-
	<b><u>826.41</u></b>	<u>732.57</u>

**Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

**11. FIXED ASSETS**

Description	Gross Block			Depreciation / Amortisation				Net Block		
	As at 01-04-2016	Addition during the year	Sales/ Disposals	As at 31-03-2017	As at 01-04-2016	Depreciation on Opening Balance	For the year	Sales/ Disposals	As at 31-03-2017	As at 31-03-2016
<b>TANGIBLE ASSETS:</b>										
Free hold land	2,872.62	0.46	-	2,873.08	-	-	-	-	2,873.08	2,872.62
Factory Building	7,812.31	223.92	70.03	7,966.20	1,260.01	247.39	1.96	16.01	6,472.84	6,552.30
Plant & Machinery	15,470.84	2,523.15	27.97	17,966.02	6,269.59	726.85	7.91	10.08	10,971.75	9,201.23
Furniture & Fixture	170.90	132.65	-	303.55	71.12	16.24	3.22	-	212.98	99.79
Motor Car	468.20	17.70	72.28	413.62	251.09	43.39	1.94	60.52	177.72	217.12
Scooter, Moped & Cycle	4.41	-	-	4.41	3.40	0.17	-	-	0.84	1.01
Laboratory Equipment	541.88	204.89	-	746.77	145.44	51.48	4.59	-	545.26	396.44
Electrical Installation	1,923.53	39.48	-	1,963.01	748.80	184.77	0.70	-	1,028.74	1,174.73
Office Equipment	130.68	14.57	-	145.25	101.46	7.30	1.19	-	35.30	29.24
Air Conditioner	41.97	36.78	-	78.75	18.30	2.66	0.98	-	56.81	23.67
Computer	118.49	14.98	2.35	131.13	109.12	5.21	1.59	-	17.75	9.37
<b>Total</b>	<b>29,555.85</b>	<b>3,208.58</b>	<b>172.64</b>	<b>32,591.78</b>	<b>8,978.33</b>	<b>1,285.44</b>	<b>24.09</b>	<b>86.61</b>	<b>22,393.08</b>	<b>20,577.53</b>
Tangible Fixed Assets (Intended for sale to be realised within 1 Year )										
<b>Total (A)</b>	<b>29,555.85</b>	<b>3,208.58</b>	<b>172.64</b>	<b>32,591.78</b>	<b>8,978.33</b>	<b>1,285.44</b>	<b>24.09</b>	<b>86.61</b>	<b>22,393.08</b>	<b>20,577.53</b>
<b>INTANGIBLE ASSETS:</b>										
Technical Knowhow	40.90	-	-	40.90	40.69	-	-	-	40.69	0.20
Computer Software	46.53	0.11	-	46.64	21.72	4.42	0.00	-	26.15	24.81
<b>Total (B)</b>	<b>87.42</b>	<b>0.11</b>	<b>-</b>	<b>87.53</b>	<b>62.41</b>	<b>4.42</b>	<b>0.00</b>	<b>-</b>	<b>66.84</b>	<b>25.01</b>
<b>Total(A+B)</b>	<b>29,643.27</b>	<b>3,208.68</b>	<b>172.64</b>	<b>32,679.31</b>	<b>9,040.74</b>	<b>1,289.86</b>	<b>24.09</b>	<b>86.61</b>	<b>22,413.77</b>	<b>20,602.54</b>
Previous Year	29,009.13	5,383.42	4,749.30	29,643.24	9,110.25	-	1,463.40	1,532.95	20,602.54	16,761.88
Capital Work-in-Progress									1,401.00	373.71

**Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

12. <b>NON-CURRENT INVESTMENTS</b>	Face Value ₹	As at March 31st, 2017		As at March 31st, 2016	
		No. of Shares	Amount	No. of Shares	Amount
<b>A) Trade investments</b>					
<b>i) Investments in Equity instruments of other entities</b>					
<b>Quoted</b>					
Kkalpana Plastick Limited	10/-	2,002,920	200.29	2,002,920	200.29
<b>B) Other Investments</b>					
<b>i) Investments in Equity instruments of other entities</b>					
<b>Quoted</b>					
Dena Bank*	10/-	14	0.00	14	0.00
Nicco Corporation Ltd. *	2/-	826,194	50.65	826,194	50.65
<b>Unquoted</b>					
Sterling Resorts Ltd.			1.31		1.31
Panchawati Holiday Resorts Ltd.	10/-	9,400	0.94	9,400	0.94
Kkalpana Plastics Middeast FZE			-		7.32
Plastic Processors and Exporters Pvt Ltd		8,100	36.00		
<b>ii) Investments in Government or trust securities</b>					
7 Year National Saving Certificate			0.30		0.30
Indira Vikash Patra			0.00		0.00
5.5 Year Kissan Vikash Patra			0.10		0.10
			<b>289.60</b>		<b>260.92</b>
<b>Aggregate Book Value of Investments</b>					
Quoted			<b>250.95</b>		250.95
Unquoted			<b>9.97</b>		9.97
			<b>260.92</b>		<b>260.92</b>
Aggregated Market Value of quoted Investments			<b>155.01</b>		<b>124.14</b>

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

- i) No provision has been made for the diminution of 129.45 lacs in the valuation of investments determined on individual basis, held by the company as the same is considered temporary in nature as the investments have been made for a long term.
- ii) National Saving Certificates and Kishan Vikas Patra have been lodged with various authorities as margin deposit and security money.
- iii) During the quarter ended 31st March 2017 M/S Plastic Processors and Exporters Pvt. Ltd. has become a subsidiary of the company.

As per AS-21 issued by ICAI if on the first occasion CFS are presented, then comparative figures for previous period need not be presented. Therefore, the above financial results does not contain comparative figures of previous year.

**Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
<b>13. <u>LONG TERM LOANS AND ADVANCES</u></b>		
<b>Unsecured, Considered Good</b>		
Capital advances	7.29	-
Security Deposits	128.29	119.21
	<u>135.58</u>	<u>119.21</u>
<b>14. <u>INVENTORIES</u></b>		
(As taken, valued and certified by the management)		
At cost or net realisable value, whichever is lower		
Raw Materials	14,437.00	6,609.87
Raw Materials in Transit	-	3.36
Finished Goods	2,671.99	3,169.07
Stores & Spares	247.33	225.58
	<u>17,356.32</u>	<u>10,007.89</u>
<b>(i) Details of closing finished goods inventories</b>		
PE Compound	1047.51	1,995.98
PVC Compound	207.05	725.61
Agglomerates	1138.52	206.14
Others	278.91	241.34
	<u>2,671.99</u>	<u>3,169.07</u>
<b>15. <u>TRADE RECEIVABLES</u></b>		
<b>(Unsecured-considered good)</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	1362.07	1046.58
Others	33,608.64	36,336.20
	<u>34,970.71</u>	<u>37,382.77</u>
<b>16. <u>CASH AND BANK BALANCES</u></b>		
<b>Cash and Cash Equivalents</b>		
Cash on Hand (As certified by the management)	37.10	112.19
<b>Balances with banks</b>		
In Current Accounts	477.18	541.26
In EEFC Accounts	81.38	250.74
In Margin & Guarantee Deposits	1,597.88	1,831.58
In Unpaid Dividend Account	33.82	41.92
	<u>2,227.36</u>	<u>2,777.69</u>

**Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
<b>17. <u>SHORT TERM LOANS AND ADVANCES</u></b>		
<b>(Unsecured - Considered good)</b>		
(Recoverable in cash or kind or for value to be received)		
Prepaid Expenses	186.51	190.70
Balance with Government Authorities	4,005.29	5,050.78
Inter-corporate deposits	-	32.28
Advance to Suppliers	-	-
Other Loans and Advances	232.85	1,054.25
	<b>4,424.66</b>	<b>6,328.02</b>
<b>18. <u>OTHER CURRENT ASSETS</u></b>		
Interest accrued on deposits	12.07	34.23
Tangible Fixed Assets (Intended for sale to be realised within 1 Year )	-	-
	<b>12.07</b>	<b>34.23</b>
<b>19. <u>REVENUE FROM OPERATIONS</u></b>		
Sale of products (Refer Note (i) below);	212,898.50	200,314.03
Sale of Scrap ( Non Operating )	198.46	231.08
Job Work Income	-	-
	<b>213,096.96</b>	<b>200,545.11</b>
Less : Excise Duty	18,699.98	14,774.16
	<b>194,396.98</b>	<b>185,770.95</b>
<b>(i) Particulars of sale of products:</b>		
<u>Particulars</u>		
PE Compound	104,384.13	107,136.20
PVC Compound	60,518.16	42,758.46
Others	48,194.68	50,650.46
	<b>213,096.96</b>	<b>200,545.11</b>
<b>20. <u>OTHER INCOME</u></b>		
<b>Interest Income</b>		
Interest Income	163.54	186.45
Export Incentive	84.00	149.17
Insurance Claim received	11.21	6.19
Rent	0.80	0.65
Profit On Sale Of Assets	114.24	487.68
Miscellaneous Receipts	11.98	3.58
Commission Received	943.76	1,053.20
	<b>1,329.52</b>	<b>1,886.93</b>

**Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

	As at March 31st, 2017	As at March 31st, 2016
<b>21. COST OF MATERIALS CONSUMED</b>		
<b>Raw materials consumed</b>		
LLDPE/ LDPE	78,262.24	61,281.83
PVC Resin	35,417.64	28,830.72
Plastic Scrap	36.26	156.32
Other items	58,839.01	71,141.50
	<u>172,555.15</u>	<u>161,410.37</u>
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening inventories of Finished Goods	3,169.07	7,367.46
Less: Closing inventories of Finished Goods	<u>(2,671.99)</u>	<u>(3,169.07)</u>
(Increase)/ Decrease	<u>497.09</u>	<u>4,198.38</u>
<b>23. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries Wages & Bonus	2,067.25	1,762.54
Contribution to Provident and other Funds	70.95	99.73
Staff Welfare Expenses	78.16	80.24
	<u>2,216.36</u>	<u>1,942.51</u>
<b>24. FINANCE COSTS</b>		
(a) Interest on borrowings	2,612.85	4,031.16
(b) Interest on others	361.92	189.77
(c) Other borrowing costs	1,463.96	883.69
	<u>4,438.73</u>	<u>5,104.62</u>
<b>25. OTHER EXPENSES</b>		
Consumption of stores and spares	136.84	133.85
Power & Fuel	1,892.11	1,942.45
Clearing and Forwarding charges	1,114.55	1,050.93
Rent	300.01	277.11
Repair & Maintenance - Building	85.75	31.77
Repair & Maintenance - Machinery	412.18	460.27
Repair & Maintenance - Others	157.50	138.66
Insurance Charges	123.22	170.52
Rates & Taxes	31.96	90.72
Carriage and freight	1,273.78	944.94
Payments to auditors (Refer Note (i) below)	3.75	3.75
Directors' Fees	3.90	-
Bad debts/Advances Written Off	546.63	162.91
Selling & Distribution Expenses	3,617.37	2,857.19
Miscellaneous expenses	1,268.72	916.35
	<u>10,968.27</u>	<u>9,181.42</u>
<b>(i) Auditors' remuneration and expenses</b>		
Audit fees	3.10	3.10
Tax audit fees	0.65	0.65
Fees for other services	-	-
Reimbursement of out-of-pocket expenses	-	-
	<u>3.75</u>	<u>3.75</u>

## Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

	<u>As at March 31st, 2017</u>	<u>As at March 31st, 2016</u>
<b>26 <u>CONTINGENT LIABILITIES</u></b>		
Bank Guarantee	<b>898.63</b>	612.54
<b>Total</b>	<b><u>898.63</u></b>	<u>612.54</u>
<b>27 <u>CAPITAL AND OTHER COMMITMENTS</u></b>		
<b>Capital Commitments</b>		
Estimated value of contracts in capital account remaining to be executed and not provided for (Net of advances)	<b>49.94</b>	140.28
<b>Other Commitments</b>		
Letter of Credit	<b>21,849.97</b>	10,561.38
<b>Total</b>	<b><u>21,899.91</u></b>	<u>10,701.66</u>
<b>28 <u>EARNING PER SHARE</u></b>		
<b>A) Net Profit before Tax for basic earning per share (Fully attributable to equity shareholders)</b>	<b>2,574.04</b>	1,139.35
Adjustment for the purpose of Diluted Earning Per Share	-	-
<b>B) Weighted average number of Equity Shares for earning per share computation</b>	<b>940,72,930</b>	940,72,930
i Number of equity Shares at the beginning of the Year	-	-
ii a) Number of equity Shares allotted during the Year	-	-
b) Number of Equity Shares to be allotted on amalgamation.	-	-
iii weighted average Number of Equity Shares allotted during the year.	-	-
iv Number of Potential Equity Shares	-	-
v Weighted average for:		
a) Basic Earning per Share	<b>940,72,930</b>	940,72,930
b) Diluted Earning per Share	<b>940,72,930</b>	940,72,930
<b>C) Earning Per Share</b>		
i Basic	<b>2.74</b>	1.21
ii Diluted	<b>2.74</b>	1.21
<b>D) "Face Value Per Share (₹)</b>		
(Face Value restated) *"	<b>2.00</b>	2.00

**Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

**29 VALUE OF IMPORTED AND INDIGENEOUS MATERIAL CONSUMED**

Particulars	31st March 2017		31st March 2016	
	Rs.	% age of Total Consumption	Rs.	% age of Total Consumption
<b>Raw Materials</b>				
i Imported	<b>89,617.49</b>	<b>52%</b>	66,012.92	41%
ii Indigeneos	<b>82,937.66</b>	<b>48%</b>	95,397.45	59%
	<b>172,555.15</b>	<b>100%</b>	161,410.37	100%
<b>Store, Spare parts and Components</b>				
i Imported	<b>61.58</b>	<b>44%</b>	73.62	44%
ii Indigeneous	<b>75.26</b>	<b>56%</b>	60.23	56%
<b>Total</b>	<b>136.84</b>	<b>100%</b>	133.85	100%

**30 VALUE OF IMPORTS ON CIF BASIS**

	<u>March 31st, 2017</u>	<u>March 31st, 2016</u>
Raw Materials	<b>83,608.27</b>	66,220.22
Stores, Spare parts and Components	<b>124.07</b>	132.97
Capital Goods	<b>1,293.92</b>	1,420.16
<b>Total</b>	<b><u>85,026.27</u></b>	<u>67,773.35</u>

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

Exports at FOB Value	<b>36,090.34</b>	42,370.19
<b>Total</b>	<b><u>36,090.34</u></b>	<u>42,370.19</u>

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

Travelling	<b>18.17</b>	82.78
Exhibition	<b>77.59</b>	12.23
Interest	<b>314.70</b>	859.89
Other Matters	<b>63.31</b>	10.70
<b>Total</b>	<b><u>473.77</u></b>	<u>965.60</u>

**Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

**33 EMPLOYEE BENEFITS**

- i Provision for defined contribution plan viz. Provident and Other Fund amounting to ₹ 70.95 lacs (Previous Year 99.73 lacs) has been charged to the Profit and Loss Account during the year.
- ii Description of type of employee benefits: The Company offers to its employees defined benefits plans in the form of Gratuity and leave encashment. Fund is created for payment of gratuity. However, no fund is created for payment of leave wages, the Company would pay the same out of its own funds as and when the same becomes payable.

Particulars	March 31st, 2017	March 31st, 2016
<b>Changes in present value of obligation</b>		
Present value of obligation as at beginning of the year	139.16	107.04
Add: Present obligation of transferor company		
Interest Cost	11.69	9.88
Current Service Cost	24.43	19.36
Past Service Cost		
Benefits Paid	(6.30)	(24.87)
Actuarial (gain)/Loss on obligation	3.47	27.76
<b>Present Value of Obligation at the end of the year</b>	<b>172.45</b>	<b>139.17</b>
<b>Changes in fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	96.75	103.80
Expected Return on Plan Assets	8.05	8.02
Contributions	20.60	10.68
Benefits Paid	(6.30)	(24.87)
Actuarial (gain)/loss	(1.06)	(0.88)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>118.04</b>	<b>96.75</b>
<b>Present value of the Defined Benefit Obligation and the fair value of Plan Assets</b>		
Present value of obligation at the end of the year	172.45	139.17
Fair value of plan assets at the end of the year	118.04	96.75
<b>Liabilities /(Assets) recognised in Balance Sheet</b>	<b>54.41</b>	<b>42.42</b>

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

Particulars	March 31st, 2017	March 31st, 2016
Discount Rate	7.50%	8.00%
Expected Rate of Return on Assets	7.50%	8.00%
Future Salary Escalation Rate	6.00%	6.00%
Mortality Rate	23.03	21.18
<b>Expense recognised in the Profit and Loss Account</b>	<b>23.24</b>	<b>21.40</b>

**Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

**34 PARTICULARS OF FORWARD CONTRACT OUTSTANDING AND UN-HEDGED FOREIGN CURRENCIES EXPOSURE:**

Particulars		FY 2016-17	FY 2015-16
Forward Contract outstanding	USD	1,781,250	6,531,250
Foreign Currency Loan		1,022	3,821
The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on its capital account. Such transactions are governed by the strategy approved by the Board of Directors which provides principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.			
Outstanding derivative contract for Interest Rate and Currency Swaps	USD	1,781,250	6,531,250
		1,022	3,821
Un-hedged Foreign Currency Exposure			
a) Foreign Currency Loan	USD		
	EURO		
b) Trade Payables	USD	3,544,350	7,878,322
		2,298	5,226
	EURO	175,693	87,876
		121	66
c) Trade Receivables	USD	5,055,468	6,224,503
		3,278	4,129
	EURO	1,597,653	390,600
		1,104	293
d) Other Liabilities	USD	-	-
		-	-

**Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

**35 SEGMENT REPORTING**

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

Particulars	March 31st, 2017	March 31st, 2016
<b>Segment Revenue</b>		
Domestic	172,794.58	143,400.76
Overseas	21,602.40	42,370.19
<b>Segment Assets</b>		
<b>Trade Receivables</b>		
Domestic	30,339.34	33,791.49
Overseas	4,631.37	3,591.28

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

**36 RELATED PARTY DISCLOSURES**

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

Related Parties with whom the company had transactions during the year

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

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

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

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2016

Particulars		March 31st, 2017	March 31st, 2016
<b>(A) Key Management Personnel</b>			
Remuneration Paid	Mr. Narrindra Suranna	<b>33.60</b>	31.20
	Mr. Rajesh Kothari	<b>25.00</b>	18.76
	Mr. P.R.Mukherjee	<b>18.00</b>	17.00
Dividend Paid	Mr. Narrindra Suranna		
Outstanding as at the year end			
<b>(B) Relatives of Key Management Personnel</b>			
Dividend Paid	Mrs. Tara Devi Surana	-	-
	Mrs. Sarla Devi Surana	-	-
	Mr. Dalam Chand Surana	-	-
	Mr. Surendra Kumar Surana	-	-
	Mr. Dev Krishna Surana	-	-

**Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

<b>(C) A Shareholder holding more than 20% of Equity Shares of the Company</b>			
Dividend Paid	Sri Ram Financial Consultants Pvt. Ltd	-	-

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

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

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

**39 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)**

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	10,528,148	1,206,696	11,734,844
(+) Permitted receipts	-	461,420	461,420
(-) Permitted payments	-	305,213	305,213
(-) Amount deposited in Banks	10,528,148	51,928	10,580,076
Closing cash in hand as on 30-12-2016	-	1,310,975	1,310,975

\*For the purpose of this clause 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

For **B. Mukherjee & Co.**

**Chartered Accountants**

Firm Registration No:302096E

**B. Mukherjee**

**Partner**

Membership No.002941

Date : 30th May, 2017

Place : Kolkata

**For and on behalf of the Board of Directors**

**Narrindra Suranna**

(DIN 00060127)

*Chairman and Managing Director*

**Rajesh Kumar Kothari**

(DIN 02168932)

*Whole Time Director*

**A. B. Chakrabarty**

(Membership No. FCS 7184)

*Company Secretary*

**Indar Chand Dakalia**

*Chief Financial Officer*

## INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF

**KKALPANA INDUSTRIES (INDIA) LTD.**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **KKALPANA INDUSTRIES (INDIA) LTD.** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013(hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by us is sufficient and appropriate

to provide a basis for our audit opinion on the Consolidated financial statements.

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”; and
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Group did not have any pending litigation which would impact its financial position.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

*For and on behalf of*

**B. MUKHERJEE & CO.**

CHARTERED ACCOUNTANTS

Firm Registration No. 302096E

**B. MUKHERJEE**

PARTNER

(Membership No. 002941)

Place: Kolkata

Date: 30th May, 2017

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in Para 1 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the consolidated financial statements for the year ended March 31, 2017.

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **KKALPANA INDUSTRIES (INDIA) LTD.** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are incorporated in India as of that date.

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

The respective Board of Directors of the Holding Company, its subsidiary which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "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 Act.

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company, its subsidiary companies have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiary companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

*For and on behalf of*

**B. MUKHERJEE & CO.**

*CHARTERED ACCOUNTANTS*

Firm Registration No. 302096E

**B. MUKHERJEE**

*PARTNER*

(Membership No. 002941)

Place: Kolkata

Date: 30th May, 2017

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017** (₹ in Lacs)

	Note	As at March 31st, 2017		As at March 31st, 2016	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholder's Funds</b>					
Share Capital	2	1,881.46		1,881.46	
Reserve and Surplus	3	25,280.19	27,161.65	22,447.25	24,328.71
<b>Non-current liabilities</b>					
Long-term borrowings	4	8,193.59		7,131.95	
Deferred tax liabilities (Net)	5	2,408.46		2,073.37	
Long-term provisions	6	54.41	10,656.46	42.41	9,247.73
<b>Current liabilities</b>					
Short-term borrowings	7	26,583.76		26,205.00	
Trade payables	8	14,730.79		13,394.16	
Other current liabilities	9	3,257.57		3,978.38	
Short-term provisions	10	826.47	45,398.59	732.57	44,310.11
<b>TOTAL</b>			<b>83,216.70</b>		<b>77,886.55</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill			49.60		
<b>Fixed assets</b>					
Tangible assets		22,402.27		20,577.53	
Intangible assets		20.69		25.01	
Capital work-in-progress		1,401.00	23,823.96	373.31	20,975.85
<b>Non-current investments</b>	12	253.60		260.92	
<b>Long-term loans and advances</b>	13	143.59	397.19	119.21	380.13
<b>Current assets</b>					
Inventories	14	17,356.32		10,007.87	
Trade receivables	15	34,970.71		37,382.77	
Cash and Bank Balances	16	2,248.00		2,777.69	
Short-term loans and advances	17	4,358.54		6,328.02	
Other current assets	18	12.37	58,945.94	34.23	56,530.57
<b>TOTAL</b>			<b>83,216.70</b>		<b>77,886.55</b>

Significant accounting policies 1

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

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

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No:302096E

**B. Mukherjee**

Partner

Membership No.002941

Date : 30th May, 2017

Place : Kolkata

For and on behalf of the Board of Directors

**Narrindra Suranna**

(DIN 00060127)

Chairman and Managing Director

**Rajesh Kumar Kothari**

(DIN 02168932)

Whole Time Director

**A. B. Chakrabarty**

(Membership No. FCS 7184)

Company Secretary

**Indar Chand Dakalia**

Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

(₹ in Lacs)

	Note	Year Ended March 31st, 2017	Year Ended March 31st, 2016
<b>INCOME</b>			
<b>Revenue from operations</b>	19	<b>213,096.96</b>	200,545.11
Less: Excise duty		<b>18,699.98</b>	14,774.16
Revenue from operations (net)		<b>194,396.98</b>	185,770.95
Other Income	20	<b>1,329.52</b>	1,886.93
<b>Total Revenue</b>		<b>195,726.50</b>	187,657.88
<b>EXPENSES</b>			
Cost of materials consumed	21	<b>172,555.15</b>	161,410.37
Changes in inventories of finished goods	22	<b>497.09</b>	4,198.38
Employee benefits expense	23	<b>2,216.36</b>	1,942.51
Finance costs	24	<b>4,438.73</b>	5,104.62
Depreciation and amortization expense		<b>1,313.95</b>	1,463.40
Less: Depreciation on amount added on revaluation		<b>0.19</b>	14.48
Other expenses	25	<b>10,968.27</b>	9,181.42
<b>Total expenses</b>		<b>191,989.36</b>	183,286.23
<b>Profit before exceptional and extraordinary items and tax</b>		<b>3,737.14</b>	4,371.65
Profit / (loss) from Subsidiary Co		<b>(3.12)</b>	
Exceptional & extraordinary items		-	2,668.98
Loss On Impairment of Assets		-	-
Loss On Assets Destroyed by Fire		-	-
<b>Profit before tax</b>		<b>3,734.02</b>	1,702.67
Tax expense:			
Current Tax Expenses		<b>826.41</b>	387.07
Deferred Tax		<b>336.69</b>	176.25
		<b>1,163.09</b>	563.32
<b>Profit for the year</b>		<b>2,570.93</b>	1,139.35
Earnings per equity share: (Refer note no.28)		₹	₹
Basic		<b>2.74</b>	1.21
Diluted		<b>2.74</b>	1.21

Significant accounting policies

1

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

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

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No:302096E

**B. Mukherjee**

Partner

Membership No.002941

Date : 30th May, 2017

Place : Kolkata

For and on behalf of the Board of Directors

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

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

**A. B. Chakrabarty**  
(Membership No. FCS 7184)  
Company Secretary

**Indar Chand Dakalia**  
Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

(₹ in Lacs)

	Year Ended March 31st, 2017	Year Ended March 31st, 2016
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extra Ordinary Items	3,730.27	4,371.65
Add: Depreciation	1,313.95	1,463.40
Profit on sale of Fixed Assets	(114.24)	(487.68)
Finance Costs	4,438.73	5,104.62
	<u>9,368.71</u>	<u>10,451.99</u>
Less: Interest Income	163.54	-
Revaluation Reserve	111.22	14.48
Effect of Transitional Provison		
Amount transferred to General Reserve	(111.02)	
Change in Foreign Currency Translation Difference	(262.21)	(3.88)
	<u>(98.48)</u>	<u>10.60</u>
Operating Profit before Working Capital Changes	<u>9,467.19</u>	<u>10,441.38</u>
Adjustment for:		
Trade and Other Receivables	4,337.58	(950.80)
Long Term Loans & Advances	(16.37)	234.55
Inventories	(7,348.45)	2,931.66
Trade payables and other liabilities	371.11	(945.73)
	<u>(2,656.14)</u>	<u>1,269.69</u>
Cash Generated before Extra Ordinary Items	<u>6,811.05</u>	<u>11,711.07</u>
Extra Ordinary Items	-	2,668.98
Cash Generated from Operations	<u>6,811.05</u>	<u>9,042.09</u>
Direct Tax paid (net of refunds)	466.14	309.13
Net Cash Generated from Operating Activities (A)	<u>6,344.91</u>	<u>8,732.96</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Tangible/Intangible assets	(4,236.38)	(4,211.94)
Sale of fixed assets	199.41	3,704.04
Purchase of Investments	-	(7.32)
Interest Received	163.54	77.75
Net Cash Generated from Investing Activities (B)	<u>(3,873.43)</u>	<u>(437.47)</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	1,069.87	(4,004.45)
Non Current Investmetns	(28.68)	
Short Term Borrowings (net)	378.75	(63.12)
Interest Paid	(4,438.38)	(5,104.62)
Net Cash Generated from Financing Activities (C)	<u>(3,018.44)</u>	<u>(9,172.19)</u>

	Year Ended March 31st, 2017	Year Ended March 31st, 2016
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(546.96)</b>	(876.70)
Cash and Cash equivalents at the beginning of the year	<b>2791.52</b>	3,654.39
<b>Cash and Cash equivalents at the end of the year</b>	<b><u>2,248.00</u></b>	<u>2,777.69</u>

**NOTES:**

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

Cash on Hand	37.10	112.19
Cash on Hand(Plastic Processor and Exporters Pvt. Ltd.)	1.00	7.75
Balances with scheduled banks:		
- In Current Accounts	477.18	541.26
- In Current Accounts (Plastic Processor and Exporters Pvt. Ltd.)	19.41	1.99
- In EEFC Accounts	81.38	250.74
- In Margin & Guarantee Deposit Accounts*	1,597.88	1,831.58
- In Margin & Guarantee Deposit Accounts* (Plastic Processor and Exporters Pvt. Ltd.)	0.23	4.09
- In Unpaid Dividend Account*	33.82	41.92
	<u>2,248.00</u>	<u>2,791.52</u>

\* Balances not available for use by the Company

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

For **B. Mukherjee & Co.**

**Chartered Accountants**

Firm Registration No:302096E

**B. Mukherjee**

*Partner*

Membership No.002941

Date : 30th May, 2017

Place : Kolkata

**For and on behalf of the Board of Directors**

**Narrindra Suranna**

(DIN 00060127)

*Chairman and Managing Director*

**Rajesh Kumar Kothari**

(DIN 02168932)

*Whole Time Director*

**A. B. Chakrabarty**

(Membership No. FCS 7184)

*Company Secretary*

**Indar Chand Dakalia**

*Chief Financial Officer*

## **Consolidated Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

### **1. SIGNIFICANT ACCOUNTING POLICIES**

#### **i) Group Overview**

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

Group Structure:

Name of the company	Country of Incorporation	% of share held by the parent company as at 31 March 2017
<b>Subsidiary</b>		
Plastic Processors and Exporter Pvt. Ltd.	India	90.00%
<b>Associates</b>		
Kkalpana Plastick Limited	India	36.23%

#### **ii) Basis of Accounting**

The consolidated financial statements of the Group are prepared and presented on accrual basis and under the historical cost convention

#### **iii) Use of Estimates and Judgement**

The preparation of the consolidated financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the consolidated financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the group’s normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

#### **iv) Basis of Preparation of Consolidated Financial Statements**

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associate as at 31 March 2017. The Parent Company prepares and report its consolidated financial statements in INR.

##### **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 affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

**Consolidated Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

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 controls 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 loses control of the subsidiary.

**Consolidation Procedure:****Subsidiary:**

- a) Combine, on line by line basis like items of assets, liabilities, equity, income, expenses 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 at 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.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).
- d) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

**v) Goodwill**

Goodwill arising on an acquisition of a business is initially recognized at cost at the date of acquisition. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

**vi) Investment in Associate**

Kkalpana Industries (India) Ltd. Is having one Associate Company named as Kkalpana Plastick Ltd, As per the provisions of Companies Act 2013, the definition of Subsidiary has been amended to include Associate Company, therefore, Consolidated Financial Statement is required to be prepared as per AS-23. The Company is not Preparing the CFS as required by Companies Act 2013, as because currently the Associate Company is not in a condition to transfer funds to the Holding Company. However, given below additional information as required by Companies Act 2013, for the FY 2016-17.

**Additional Information as stated under Schedule III of Companies Act 2013.**

Name of the Equity	Net Assets (i.e Total Assets minus Total Liabilities )			Share in Profit and Loss		(Rs. in Lacs)
	Net Assets	As a %age Net Assets	Amount	PAT	As a %age of Profit or Loss	Amount
Kkalpana Plastick Limited- Associate Company	60,105,077.08	36.23%	21,776,069	(2,317,208)	36.23%	(839,524)
Plastic Processors and Exporter Pvt Ltd- Subsidiary	(1,858,077.00)	90.00%	(1,672,269)	(311,907)	90.00%	(280,716)

**Consolidated Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
<b>2. SHARE CAPITAL</b>		
<b><u>Authorised</u></b>		
153,000,000 Equity Share of ₹ 2/- each (Previous Year : 153,000,000 Equity Shares of ₹ 2/- each)	<b>3,060.00</b>	3,060.00
<b><u>Issued, Subscribed &amp; Paid Up</u></b>		
940,72,930 Equity Share of ₹ 2/- each (Previous Year : 940,72,930 Equity Shares of ₹ 2/- each)	<b>1,881.46</b>	1,881.46
	<b>1,881.46</b>	1,881.46

**i) Terms/ Rights attached to Equity Shares:**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion of their shareholding.

**ii) Reconciliation of the number of shares**

<b><u>Equity Shares:</u></b>	<b>Number of Shares</b>	<b>Amount</b>	<b>Number of Shares</b>	<b>Amount</b>
Balance as at the beginning of the year	<b>94,072,930</b>	<b>1,881.46</b>	94,072,930	1,881.46
Add: Shares Issued during the year	<b>Nil</b>	-	-	-
Less: Shares bought back	<b>Nil</b>	-	-	-
Balance as at the end of the year	<b>94,072,930</b>	<b>1,881.46</b>	94,072,930	1,881.46
Shares Outstanding at the end of the year	-	1,881.46		

\* Pursuant to the sub-division of the Equity shares of the Company, each Equity share of the face value of ₹ 10/- was subdivided into 5 Equity shares of the face value of ₹ 2/- each fully paid up w.e.f. May 22, 2015 and it ranks pari-passu in all respect with existing fully paid up Equity Shares of ₹ 10/- each.

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

<b>Name of Share Holder</b>	<b>Number of Shares</b>	<b>% holding</b>	<b>Number of Shares</b>	<b>% holding</b>
Sri Ram Financial Consultants Pvt. Ltd	44,785,170	47.61%	44,785,170	47.61%
Shyambaba Trexim Pvt. Ltd.	15,551,680	16.53%	15,551,680	16.53%
Subh Labh Vintrade Pvt. Ltd	7,750,000	8.24%	7,750,000	8.24%
Inbara Holdings Pvt. Ltd	7,250,000	7.71%	7,250,000	7.71%

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

Number of Equity Shares of Rs.10/- each allotted as fully paid up pursuant to contract (Scheme of Amalgamation/ Arrangements) without payment being received in Cash in the year 2010-11)	26,072,930	26,072,930
---	------------	------------

**Consolidated Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

	As at March 31st, 2017		As at March 31st, 2016	
<b>3. RESERVE AND SURPLUS</b>				
<b>Capital Reserve</b> (Balance as per last account)		<b>12.91</b>		12.91
<b>Securities Premium Account</b> (Balance as per last account)		<b>5,322.45</b>		5,322.45
<b>Amalgamation Reserve</b> (Balance as per last account)		<b>840.05</b>		840.05
<b>Foreign Currency Monetary Item Translation Difference Account</b>				
Balance as per Last Account		<b>(262.21)</b>		(266.08)
Exchange Gain/(Loss) during the year				(111.03)
Ammortization during the year		<b>262.21</b>	<b>0.00</b>	114.91
				(262.21)
<b>Revaluation Reserve</b>				
Balance as at the beginning of the year		<b>153.82</b>		168.29
Less: Depreciation arising out of revaluation		<b>111.22</b>	<b>42.60</b>	14.48
				153.82
<b>General Reserve</b>				
Balance as at the beginning of the year		<b>3,400.00</b>		3,400.00
Add: Transfer from Revaluation Reserve during the year		<b>111.02</b>		
			<b>3511.02</b>	3,400.00
<b>Surplus in Statement of Profit and Loss</b>				
Balance as at the beginning of the year		<b>12,980.23</b>		11,840.89
Add: Adjustment for Depreciation as per Schedule II of Companies Act 2013.				
Add: Adjustment for Deferred Tax				
Add: Profit for the year		<b>2,570.93</b>		1,139.35
		<b>15,551.16</b>		12,980.23
Less: Appropriation				
Proposed Dividend on Equity Shares		-		-
Tax on Proposed Dividend		-		-
Transferred to General Reserve		-		-
		<b>15,551.16</b>		12,980.23
		<b>25,280.19</b>		22,447.25
<b>4. LONG TERM BORROWINGS</b>				
	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
<b>Secured</b>				
Term Loan from Banks	<b>5,041.77</b>	<b>1,870.36</b>	4,031.65	3,000.15
Vehicle Loan	<b>82.55</b>		114.59	
<b>Unsecured</b>				
Other Loans	<b>3,069.27</b>		2,985.71	
	<b>8,193.59</b>	<b>1,870.36</b>	<b>7,131.95</b>	<b>3,000.15</b>

**Consolidated Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

**i) Terms of repayment of long-term borrowings are as follows:**

**Term Loans from Banks**

- a) Rupee term loan 5041.77 lacs (31.03.2016 : 3210.72 lacs loan is secured by 1st pari pasu charge by way of equitable mortgage over all present.hypothecation of present & future Current Assets of the Company on Second pari-passu basis) secured by 1st pari pasu charge by way of equitable mortgagge over all present and future movable and immovable properties of the company except Falta and Dankuni and 2nd pari pasu basis charge on all Fixed Assets except Daman, Falta and Dankuni.

**Term Loan from Others**

- a) Indian rupee loan amounting 82.55 lacs (31.03.2016: 114.59 lacs) is secured by Hypothecation against Motor Car and repayable in 60 equal monthly installments.

	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
<b>5. <u>DEFERRED TAX LIABILITIES (NET)</u></b>		
<b>Deferred tax liability</b>		
Related to Fixed Assets	<b>2,408.46</b>	2,073.37
<b>Net Deferred tax liability</b>	<b>2,408.46</b>	2,073.37
<b>6. <u>LONG-TERM PROVISIONS</u></b>		
Provision for employee benefits:		
Provision for gratuity (net)	<b>54.41</b>	42.41
	<b>54.41</b>	42.41
<b>7. <u>SHORT-TERM BORROWINGS</u></b>		
<b><u>Secured</u></b>		
Loan repayable on demands	<b>26,583.76</b>	26,205.00
From Banks*		
<b><u>Unsecured</u></b>		
Short term loan from Bank	-	-
	<b>26,583.76</b>	26,205.00

\* Includes Buyers Credit and Packing Credit

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

## Consolidated Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
<b>8. <u>TRADE PAYABLES</u></b>		
Acceptances - Secured (Refer Note (i) below)	<b>6,430.50</b>	10,299.50
Sundry Creditors (Refer Note (ii) & (iii) below)	<b>8,300.29</b>	3,094.66
	<b>14,730.79</b>	13,394.16
i) Secured by way of hypothecation of stocks & book debts in favour of the company's bankers		
ii) <u>Sundry Creditors:</u>		
Sundry creditors for goods	<b>7,337.88</b>	2,425.64
Sundry creditors for expenses	<b>962.41</b>	669.02
	<b>8,300.29</b>	3,094.66
iii) The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Act 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act has not been given.		

### **9. OTHER CURRENT LIABILITIES**

Current maturities of Long term debt (Refer Note No.4)	<b>1,870.36</b>	3,000.15
Unpaid Dividend (Refer Note (i) below)	<b>33.83</b>	41.92
Statutory dues including provident fund and tax deducted at source	<b>308.68</b>	180.28
Creditors for Capital Expenditure	<b>125.80</b>	(48.59)
Advance from customers	-	-
Other Liabilities	<b>918.90</b>	804.62
	<b>3,257.57</b>	3,978.38

i) There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.

### **10. SHORT- TERM PROVISIONS**

Provision for taxation (Net of tax payments)	<b>826.47</b>	732.57
Provision for proposed dividend on equity shares	-	-
Provision for tax on proposed dividends	-	-
	<b>826.47</b>	732.57

**Consolidated Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

**11. FIXED ASSETS**

Description	Gross Block			Depreciation / Amortisation			Net Block			
	As at 01-04-2016	Addition during the year	Sales/ Disposals	As at 31-03-2017	As at 01-04-2016	Depreciation on Opening Balance	For the year	Sales/ Disposals	As at 31-03-2017	As at 31-03-2016
<b>TANGIBLE ASSETS:</b>										
Free hold land	2,872.62	0.46	-	2,873.08	-	-	-	-	2,873.08	2,872.62
Factory Building	7,818.63	223.92	70.03	7,972.51	1,260.01	248.66	1.96	16.01	6,477.89	6,552.30
Plant & Machinery	15,473.73	2,523.15	27.97	17,968.91	6,269.59	727.43	7.91	10.08	10,974.05	9,201.23
Furniture & Fixture	170.90	132.65	-	303.55	71.12	16.24	3.22	-	212.98	99.79
Motor Car	468.20	17.70	72.28	413.62	251.09	43.39	1.94	60.52	177.72	217.12
Scooter, Moped & Cycle	4.41	-	-	4.41	3.40	0.17	-	-	0.84	1.01
Laboratory Equipment	541.88	204.89	-	746.77	145.44	51.48	4.59	-	545.26	396.44
Electrical Installation	1,923.53	39.48	-	1,963.01	748.80	184.77	0.70	-	1,028.74	1,174.73
Office Equipment	130.68	14.57	-	145.25	101.46	7.30	1.19	-	35.30	29.24
Air Conditioner	41.97	36.78	-	78.75	18.30	2.66	0.98	-	56.81	23.67
Computer	118.49	14.98	2.35	131.13	109.12	5.21	1.59	-	17.75	9.37
<b>Total</b>	<b>29,565.04</b>	<b>3,208.58</b>	<b>172.64</b>	<b>32,600.98</b>	<b>8,978.33</b>	<b>1,287.29</b>	<b>24.09</b>	<b>86.61</b>	<b>22,400.42</b>	<b>20,577.53</b>
Tangible Fixed Assets (Intended for sale to be realised within 1 Year )										
<b>Total (A)</b>	<b>29,565.04</b>	<b>3,208.58</b>	<b>172.64</b>	<b>32,600.98</b>	<b>8,978.33</b>	<b>1,287.29</b>	<b>24.09</b>	<b>86.61</b>	<b>22,400.42</b>	<b>20,577.53</b>
<b>INTANGIBLE ASSETS:</b>										
Technical Knowhow	40.90	-	-	40.90	40.69	-	-	-	0.20	0.20
Computer Software	46.53	0.11	-	46.64	21.72	4.42	0.00	-	20.49	24.81
<b>Total (B)</b>	<b>87.42</b>	<b>0.11</b>	<b>-</b>	<b>87.53</b>	<b>62.41</b>	<b>4.42</b>	<b>0.00</b>	<b>-</b>	<b>20.69</b>	<b>25.01</b>
<b>Total(A+B)</b>	<b>29,652.47</b>	<b>3,208.68</b>	<b>172.64</b>	<b>32,688.51</b>	<b>9,040.74</b>	<b>1,291.71</b>	<b>24.09</b>	<b>86.61</b>	<b>22,421.11</b>	<b>20,602.54</b>
Previous Year	29,009.13	5,383.42	4,749.30	29,643.24	9,110.25	-	1,463.40	1,532.95	20,602.54	16,761.88
Capital Work-in-Progress									1,401.00	373.71

**Consolidated Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

12. <b>NON-CURRENT INVESTMENTS</b>	Face Value ₹	As at March 31st, 2017		As at March 31st, 2016	
		No. of Shares	Amount	No. of Shares	Amount
<b>A) Trade investments</b>					
<b>i) Investments in Equity instruments of other entities</b>					
<b>Quoted</b>					
Kkalpana Plastick Limited	10/-	2,002,920	200.29	2,002,920	200.29
<b>B) Other Investments</b>					
<b>i) Investments in Equity instruments of other entities</b>					
<b>Quoted</b>					
Dena Bank*	10/-	14	0.00	14	0.00
Nicco Corporation Ltd.*	2/-	826,194	50.65	826,194	50.65
<b>Unquoted</b>					
Sterling Resorts Ltd.			1.31		1.31
Panchawati Holiday Resorts Ltd.	10/-	9,400	0.94	9,400	0.94
Kkalpana Plastics Middeast FZE			-		7.32
Plastic Processors and Exporter Pvt Ltd			-		
<b>ii) Investments in Government or trust securities</b>					
7 Year National Saving Certificate			0.30		0.30
Indira Vikash Patra			0.00		0.00
5.5 Year Kissan Vikash Patra			0.10		0.10
			<b>253.60</b>		<b>260.92</b>
<b>Aggregate Book Value of Investments</b>					
Quoted			<b>250.95</b>		250.95
Unquoted			<b>9.97</b>		9.97
			<b>260.92</b>		<b>260.92</b>
Aggregated Market Value of quoted Investments			<b>155.01</b>		124.14

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

- i) No provision has been made for the diminution of 129.45 lacs in the valuation of investments determined on individual basis, held by the company as the same is considered temporary in nature as the investments have been made for a long term.
- ii) National Saving Certificates and Kishan Vikas Patra have been lodged with various authorities as margin deposit and security money.
- iii) During the quarter ended 31st March 2017 M/S Plastic Processors and Exporters Pvt. Ltd. has become a subsidiary of the company.

As per AS-21 issued by ICAI if on the first occasion CFS are presented, then comparative figures for previous period need not be presented. Therefore, the above financial results does not contain comparative figures of previous year.

**Consolidated Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
<b>13. LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, Considered Good</b>		
Capital advances	7.29	-
Security Deposits	136.30	119.21
	<b>143.59</b>	<b>119.21</b>
<b>14. INVENTORIES</b>		
(As taken, valued and certified by the management)		
At cost or net realisable value, whichever is lower		
Raw Materials	14,437.00	6,609.87
Raw Materials in Transit	-	3.36
Finished Goods	2,671.99	3,169.07
Stores & Spares	247.33	225.58
	<b>17,356.32</b>	<b>10,007.89</b>
(i) Details of closing finished goods inventories		
PE Compound	1047.51	1,995.98
PVC Compound	207.05	725.61
Agglomerates	1138.52	206.14
Others	278.91	241.34
	<b>2,671.99</b>	<b>3,169.07</b>
<b>15. TRADE RECEIVABLES</b>		
(Unsecured-considered good)		
Outstanding for a period exceeding 6 months from the date they are due for payment	1362.07	1046.58
Others	33,608.64	36,336.20
	<b>34,970.71</b>	<b>37,382.77</b>
<b>16. CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Cash on Hand ( As certified by the management)	38.10	112.19
<b>Balances with banks</b>		
In Current Accounts	632.39	541.26
In EEFC Accounts	81.38	250.74
In Margin & Guarantee Deposits	1,462.30	1,831.58
In Unpaid Dividend Account	33.82	41.92
	<b>2,248.00</b>	<b>2,777.69</b>

**Consolidated Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
<b>17. <u>SHORT TERM LOANS AND ADVANCES</u></b>		
<b>(Unsecured -Considered good)</b>		
(Recoverable in cash or kind or for value to be received)		
Prepaid Expenses	186.51	190.70
Balance with Government Authorities	4,005.36	5,050.78
Inter-corporate deposits	-	32.28
Advance to Suppliers	-	-
Other Loans and Advances	166.68	1,054.25
	<b>4,358.54</b>	<b>6,328.02</b>
<b>18. <u>OTHER CURRENT ASSETS</u></b>		
Interest accrued on deposits	12.37	34.23
Tangible Fixed Assets (Intended for sale to be realised within 1 Year )	-	-
	<b>12.37</b>	<b>34.23</b>
<b>19. <u>REVENUE FROM OPERATIONS</u></b>		
Sale of products (Refer Note (i) below);	212,898.50	200,314.03
Sale of Scrap (Non Operating)	198.46	231.08
Job Work Income	-	-
	<b>213,096.96</b>	<b>200,545.11</b>
Less : Excise Duty	18,699.98	14,774.16
	<b>194,396.98</b>	<b>185,770.95</b>
<b>(i) Particulars of sale of products:</b>		
Particulars		
PE Compound	104,384.13	107,136.20
PVC Compound	60,518.16	42,758.46
Others	48,194.68	50,650.46
	<b>213,096.96</b>	<b>200,545.11</b>
<b>20. <u>OTHER INCOME</u></b>		
<b>Interest Income</b>		
Interest Income	163.54	186.45
Export Incentive	84.00	149.17
Insurance Claim received	11.21	6.19
Rent	0.80	0.65
Profit on Sale of Assets	114.24	487.68
Miscellaneous Receipts	11.98	3.58
Commission Received	943.76	1,053.20
	<b>1,329.52</b>	<b>1,886.93</b>

**Consolidated Notes to the Financial Statements for the year ended 31st March, 2017**

(₹ in Lacs)

	As at March 31st, 2017	As at March 31st, 2016
<b>21. COST OF MATERIALS CONSUMED</b>		
<b>Raw materials consumed</b>		
LLDPE/ LDPE	78,262.24	61,281.83
PVC Resin	35,417.64	28,830.72
Plastic Scrap	36.26	156.32
Other items	58,839.01	71,141.50
	<u>172,555.15</u>	<u>161,410.37</u>
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening inventories of Finished Goods	3,169.07	7,367.46
Less: Closing inventories of Finished Goods	(2,671.99)	(3,169.07)
(Increase)/ Decrease	<u>497.09</u>	<u>4,198.38</u>
<b>23. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries Wages & Bonus	2,067.25	1,762.54
Contribution to Provident and other Funds	70.95	99.73
Staff Welfare Expenses	78.16	80.24
	<u>2,216.36</u>	<u>1,942.51</u>
<b>24. FINANCE COSTS</b>		
(a) Interest on borrowings	2,612.85	4,031.16
(b) Interest on others	361.92	189.77
(c) Other borrowing costs	1,463.96	883.69
	<u>4,438.73</u>	<u>5,104.62</u>
<b>25. OTHER EXPENSES</b>		
Consumption of stores and spares	136.84	133.85
Power & Fuel	1,892.11	1,942.45
Clearing and Forwarding charges	1,114.55	1,050.93
Rent	300.01	277.11
Repair & Maintenance - Building	85.75	31.77
Repair & Maintenance - Machinery	412.18	460.27
Repair & Maintenance - Others	157.50	138.66
Insurance Charges	123.22	170.52
Rates & Taxes	31.96	90.72
Carriage and freight	1,273.78	944.94
Payments to auditors (Refer Note (i) below)	3.75	3.75
Directors' Fees	3.90	-
Bad debts/Advances Written Off	546.63	162.91
Selling & Distribution Expenses	3,617.37	2,857.19
Miscellaneous expenses	1,268.72	916.35
	<u>10,968.27</u>	<u>9,181.42</u>
(i) <b>Auditors' remuneration and expenses</b>		
Audit fees	3.10	3.10
Tax audit fees	0.65	0.65
Fees for other services	-	-
Reimbursement of out-of-pocket expenses	-	-
	<u>3.75</u>	<u>3.75</u>