M/S. PLASTIC PROCESSORS AND EXPORTER PRIVATE LIMITED

AUDITED FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR 2017-18

AUDITOR

P R SHUKLA & ASSOCIATES

15, GANGADHAR BABU LANE, 3RD FLOOR

KOLKATA – 700012

(NEAR-KOLKATA MEDICAL COLLEGE)

MOBILE NO. - 9748925150

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PLASTIC PROCESSORS AND EXPORTERS PRIVATE LIMITED

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

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

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

9. As required by Section 143(3) of the Act,based on our audit, we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

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

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

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

P R SHUKLA & ASSOCIATES Kolkata Chartered Accountants

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.

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

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

For P R Shukla & Associates
Chartered Accountants
Firm Registration No : 327763E

P R Shukla
Proprietor
Mem No : 300268

Place: Kolkata
Date: 21st day of May, 2018

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 8 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of **PLASTIC PROCESSORS AND EXPORTERS PRIVATE LIMITED** for the year ended 31st March 2018)

We report that:

i. In respect of its fixed assets:

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

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

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

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

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

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

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

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

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

(b) According to the information and explanation given to us, there are no dues of Income Tax , sales tax, duty of excise, service tax and value added tax which have not been deposited on account of any dispute.

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

P R SHUKLA & ASSOCIATES * Kolkata * Chartered Accountants

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

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

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

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

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

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

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

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

For P R Shukla & Associates
Chartered Accountants
Firm Registration No: 327763E

P R Shukla
Proprietor
Mem No: 300268

Place: Kolkata
Date: 21st day of May, 2018

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P R Shukla & Associates
Chartered Accountants
Firm Registration No: 327763E

P R Shukla
Proprietor
Mem No: 300268

Place: Kolkata
Date: 21st day of May, 2018

PLASTIC PROCESSORS AND EXPORTERS PRIVATE LIMITED
CIN: U25209DL2005PTC144256
Unit-1007, D Mall A1 , Netaji Subash Palace, Pitampura, Delhi -110034

BALANCE SHEET AS AT 31st MARCH, 2018

(Rs. In INR)

	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A ASSETS				
1 Non-current Assets				
Property, Plant and Equipment	4	**1,95,73,631.52**	10,22,061.00	12,06,964.00
Financial Assets				
(i) Other Financial Assets	5	**17,03,765.00**	79,673.00	18,300.00
Other Non-Current Assets	6	**1,06,46,664.00**	24,86,487.00	8,43,987.00
Income Tax Asset (Net)	7	**9,678.00**	7,001.00	7,595.00
		3,19,33,738.52	**35,95,222.00**	**20,76,846.00**
2 Current Assets				
Inventories	8	**3,66,96,709.39**		
Financial Assets				
(i) Trade Receivables	9	**8,23,04,715.00**		
(ii) Cash & Cash Equivalents	10	**9,67,705.01**	22,92,455.99	10,82,134.30
(iii) Other Financial Assets	5	**11,17,954.00**	-	25,73,771.00
Other Current Assets	11	**27,85,654.00**	-	-
		12,38,72,737.40	22,92,455.99	36,55,905.30
Total		**15,58,06,475.92**	58,87,677.99	57,32,751.30
B EQUITY & LIABILITIES				
1 Equity				
Equity Share Capital	12	**5,00,000.00**	5,00,000.00	5,00,000.00
Other Equity	13	**(1,98,23,410.32)**	(23,58,076.80)	(15,95,050.80)
		(1,93,23,410.32)	(18,58,076.80)	(10,95,050.80)
2 Non Current Liabilities				
Financial Liabilities				
(i) Borrowings				
(ii) Other Financial Liabilities				
Provisions				
Deferred Tax Liabilities (net)	14	**(1,69,785.07)**	(1,69,785.07)	(1,69,785.07)
		(1,69,785.07)	(1,69,785.07)	(1,69,785.07)
3 Current Liabilities				
Financial Liabilities				
(i) Borrowings	15	**7,41,38,601.78**	73,52,730.00	64,37,923.43
(ii) Trade Payables	16	**10,10,10,514.50**	3,35,992.50	3,35,992.50
Other Current Liabilities	17	**1,50,555.03**	**2,26,818.00**	**2,23,672.00**
Provisions				
Current Tax Liabilities (net)				
		17,52,99,671.31	79,15,540.50	69,97,587.93
Total		**15,58,06,475.92**	58,87,677.99	57,32,751.30
Significant Accounting Policies and other information	1-3			
Contingent liabilities and Other notes to the financial statements				

The accompanying notes form an integral part of the financial statements

For P. R. Shukla & Associates
Chartered Accountants
Firm Registration No. : 327763E

P. R. Shukla
Proprietor
Membership No. 300268

Date : 21st day of May, 2018
Place : Delhi

For and on behalf of the Board of Directors

Deo Kishan Kalwani
Din: 03363450
Director

Asipi Uma Chandra Rao
Din: 03387647
Director

PLASTIC PROCESSORS AND EXPORTERS PRIVATE LIMITED
CIN: U25209DL2005PTC144256
Unit-1007, D Mall A1 , Netaji Subash Palace, Pitampura, Delhi -110034

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

(Rs. In INR)

		Note No.	2017-18	2016-17
I	**INCOME**			
	Revenue from Operations	18	7,08,24,006.00	
	Other Income	19	33,597.02	37,254.00
	Total Income		7,08,57,603.02	37,254.00
II	**EXPENSES**			
	Cost of Materials Consumed	20	6,29,97,436.36	
	Changes in Inventories of Finished Goods	21	(26,64,488.75)	
	Employee Benefits Expense	22	34,57,388.00	
	Finance Costs	23	1,708.78	10,088.00
	Depreciation & Amortization Expense	4	7,25,400.48	1,84,903.00
	Other Expenses	24	2,38,05,491.67	6,05,289.00
	Total Expenses		8,83,22,936.54	8,00,280.00
III	**PROFIT BEFORE TAX**		(1,74,65,333.52)	(7,63,026.00)
	Tax expense			
	Current tax			
	MAT credit entitlement			
	Deferred tax			
	Total Tax expense		-	-
IV	**PROFIT FOR THE YEAR AFTER TAX**		(1,74,65,333.52)	(7,63,026.00)
V	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		(1,74,65,333.52)	(7,63,026.01)
	Significant Accounting Policies and other information	1-3		
	Contingent liabilities and Other notes to the financial statements			

The accompanying notes form an integral part of the financial statements

For P. R. Shukla & Associates
Chartered Accountants
Firm Registration No. : 327763E

P. R. Shukla
Proprietor
Membership No.: 300268

Date : 21st day of May, 2018
Place : Delhi

For and on behalf of the Board of Directors

Deo Kishan Kalwani
Din: 03363450
Director

Asipi Uma Chandra Rao
Din: 03387647
Director

PLASTIC PROCESSORS AND EXPORTERS PVT. LTD.
CIN: U25209DL2005PTC144256
Unit-1007, D Mall A1 , Netaji Subash Palace, Pitampura, Delhi -110034

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

A. EQUITY SHARE CAPITAL (Refer Note No. 12)

	As at 31st March, 2018	As at 31st March, 2017
Balance at the year beginning	**5,00,000.00**	5,00,000.00
Changes in equity share capital during the year	-	-
Balance at the year end	**5,00,000.00**	5,00,000.00

B. OTHER EQUITY (Refer Note No. 13)

For the year ended 31st March, 2018

Particulars	Reserve & Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2017	-	-	-	-	(23,58,076.80)	-	(23,58,076.80)
Add : For the Year					(1,74,65,333.52)		(1,74,65,333.52)
Less: Ammortized during the year							-
Balance as at 31st March, 2018	-	-	-	-	-1,98,23,410.32	-	-1,98,23,410.32

For the year ended 31st March, 2017

Particulars	Reserve & Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
Balance as at 1st April, 2016	-	-	-	-	(15,95,050.80)	-	(15,95,050.80)
Add: For the Year	-	-	-	-	(7,63,026.00)	-	(7,63,026.00)
Less: Ammortized During the year	-	-	-	-	-	-	-
Balance as at 31st March, 2017	-	-	-	-	(23,58,076.80)	-	(23,58,076.80)

The accompanying notes form an integral part of the financial statements

For P. R. Shukla & Associates
Chartered Accountants
Firm Registration No. 327763E

P. R. Shukla
Proprietor
Membership No. 300268

Date: 21st day of May, 2018
Place: Delhi

For and on behalf of the Board of Directors

Deo Kishan Kalwani
Din: 03363450
Director

Asipi Uma Chandra Rao
Din: 03387647
Director

1. COMPANY INFORMATION

Plastic Processors and Exporters Pvt Ltd. (the Company) was incorporated in India on 13th December 2005. The Company is domiciled in India whose shares are listed on the Bombay Stock Exchange (BSE). The registered office is located at Unit No 1007, Dmall, Netaji Subhas place Pitampura, Delhi-110034.The Company is engaged in the manufacturing of Plastic Compounds.

The financial statements of the Company for the year ended 31st March, 2018 were authorised for issue in accordance with a resolution of the Board of Directors as on 21.05.2018

2 Basis of Preparation of Financial Statements

2.1 Statement of Compliance

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

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

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

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

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

2.2 Basis of Measurement

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

(i) Derivative financial instruments

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

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

FIRST TIME ADOPTION OF IND AS

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

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

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

[A] Exemptions from requirement of Other IND AS

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

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

[A-2] Business Combination

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

[A-3] Lease

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

[A-4] Long Term Foreign Currency Monetary Items

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

[A-5] Investments in subsidiaries and Associates

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

[B] Mandatory Exceptions from retrospective application

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

[B-1] Estimates

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

These are as under:

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

[B-2] Classification and measurement of Financial Assets

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

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

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

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

<u>Sale of Goods</u>
Revenue from the sale of goods is recognised when all significant risks and rewards of ownership of the goods are transferred to the buyer, as per the terms of the contract and no significant uncertainty

exists regarding the amount of the consideration that will be derived from the sale of goods.Revenue from Sale of Scrap is recognised as and when scrap is sold.
Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It excludes sales tax, Value added tax (VAT),Goods and Service Tax, Trade Discounts, Volume Rebates and Returns but includes excise duty.

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

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

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

3.2 Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

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

SHUKLA & ASSOCIATES
Kolkata
Chartered Accountants

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

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

3.3 **Intangible Assets :**

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

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

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

Intangible assets are amortised as follows:

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

3.4 **Lease**

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

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

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

Impairment of non-financial assets

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

Recoverable amount is determined:-

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

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

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

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

P R SHUKLA & ASSOCIATES
Chartered Accountants
Kolkata

3.6 Financial Instruments

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

a) **Financial Assets**

Initial Recognition and measurement of Financial Assets

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

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

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

Subsequent measurement

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

(a) Financial assets at amortised cost

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

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

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

(a) Financial assets at amortised cost

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Derecognition

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

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

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

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

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

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

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

Write Off

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

Impairment of financial assets

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

(a) Financial assets measured at amortised cost

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

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

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

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

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

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

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

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

P R SHUKLA & ASSOCIATES
Chartered Accountants
Kolkata

b Financial liabilities

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

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

Subsequent measurement

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

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

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

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

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

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

(b) Loans and borrowings

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

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

(c) Financial Guarantee Contracts

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

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting

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

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

3.6 **Cash and cash equivalents**

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

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

SHUKLA & ASSOCIATES Chartered Accountants Kolkata

3.70 Fair Value Measurement:
The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

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

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

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

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

3.8 Inventories

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

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

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

3.9 Employee Benefits

Short Term Employee Benefits

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

Post Employement Benefits

Defined Contribution Plan

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

Defined benefit plans:

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

Defined benefit costs are comprised of:

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

b) Net interest expense or income; and

c) Re-measurement

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

3.10 Borrowing Cost

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

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

3.11 Income Taxes

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

Current Tax

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

Deferred Tax

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

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

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

3.12 Provisions, Contingent Liabilities and Contingent Assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Assets

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

SHUKLA & ASSOCIATES Chartered Accountants Kolkata

3.13 Current and Non-current Classification

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

An asset is current when:

- It is expected to be realised or
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months after the reporting period,
- It is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve

  Or

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

All other liabilities are classified as non-current.

For P.R. Shukla & Associates
Chartered Accountants
Firm Registration No:327763E

P.R.Shukla
Proprietor
Membership No.300268
Date : 21st May, 2018
Place : Delhi

For and on behalf of the Board of Directors

Deo Kishan Kalwani-Director
Din : 03363450

Asipi Uma Chandra Rao-Director
Din : 03387647

PLASTIC PROCESSORS AND EXPORTERS PVT. LTD.

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

Shedules for the year ended 31st March 2018

04. Property Plant and Equipment

(Rs. In INR)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2017	Addition during the year	Sales/Disposals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/Disposals	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
TANGIBLE ASSETS:										
Factory Building	8,28,331			8,28,331	1,26,957	26,230		1,53,187	6,75,144	7,01,374
Plant & Machinery	3,78,633	1,24,84,165		1,28,62,798	57,946	2,73,260		3,31,206	1,25,31,592	3,20,687
Office Equipment		4,67,517		4,67,517		21,683		21,683	4,45,834	-
Air Conditioner		25,547		25,547		1,068		1,068	24,479	
Electrical Installation		62,99,742		62,99,742		4,03,158		4,03,158	58,96,584	-
				-				-	-	-
Total	**12,06,964**	**1,92,76,971**	-	**2,04,83,935**	**1,84,903**	**7,25,400**	-	**9,10,303**	**1,95,73,632**	**10,22,061**

Shedules for the year ended 31st March 2017

04. Property Plant and Equipment

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2016	Addition during the year	Sales/Disposals	As at 31-03-2017	As at 01-04-2016	For the year	Sales/Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
TANGIBLE ASSETS:										
Factory Building	8,28,331.00			8,28,331		1,26,957.00		1,26,957	7,01,374	8,28,331
Plant & Machinery	3,78,633.00			3,78,633		57,946.00		57,946	3,20,687	3,78,633
Total	**12,06,964**	-	-	**12,06,964**	-	**1,84,903**	-	**1,84,903**	**10,22,061**	**12,06,964**

Other Notes to Note No 04

A Disclosures for Property, Plant & Equipment (PPE)

A1. There are no Property, plant and equipment that has been pledged as security by the Company.

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

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

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

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

P R SHUKLA & ASSOCIATES Kolkata Accountants

	Non Current			Current		
5. FINANCIAL ASSETS - OTHERS	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good						
Interest accrued on deposits	**57,620.00**	33,528.00				
Security Deposit	**16,46,145.00**	46,145.00	18,300.00	**3,20,000.00**		25,73,771.00
Other Receivables				**6,42,237.00**		
Other Advances				**1,55,717.00**		
Total	17,03,765.00	79,673.00	18,300.00	11,17,954.00	-	25,73,771.00

6. OTHER NON CURRENT ASSETS	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
(a) Capital Advances			
(i) Unsecured - considered good	**98,02,677.00**	16,42,500.00	
(b) Other Advances			
(i) Unsecured, considered good			
- Balance With Government Authorities	**8,43,987.00**	8,43,987.00	8,43,987.00
Total	**1,06,46,664.00**	**24,86,487.00**	**8,43,987.00**

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

7. INCOME TAX ASSETS (NET)	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Unsecured, Considered Good			
- Advance Income Tax and TDS (Net of Provisons)	9,678.00	7,001.00	7,595.00
	9,678.00	**7,001.00**	**7,595.00**

P R SHUKLA & ASSOCIATES ★ Chartered Accountants ★ Kolkata

PLASTIC PROCESSORS AND EXPORTERS PVT. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

			As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
8.	**INVENTORIES (Refer Note No. ...)**				
	(As takenvalued and certified by the management)				
	At Cost or NRV whichever is lower				
	(a)	**Raw materials**			
		- In Stock	**2,29,93,320.64**		
		- In Transit	**1,10,38,900.00**		
	(b)	**Finished goods**			
		- In Stock	**26,64,488.75**		
	(c)	**Traded Goods**			
		- In Stock			
	(d)	**Stores and spares- at Cost**			
		- In Stock			
		Total	**3,66,96,709.39**	-	-

- During the year ended 31st March, 2018 Rs NIL (31st March, 2016 NIL) was recognised as an expense for the inventories carried at net realisable value.
- No amount of Inventories pledged with banks.
- Stores and Spares does not include machinery spares which can be used only in connection with an item of Fixed Assets.

			As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
9.	**TRADE RECEIVABLES**				
	(a)	Unsecured, considered good			
		(i) Others	-		
		(ii) Related Parties	**8,23,04,715.00**		
	(b)	Unsecured, considered doubtful			
			8,23,04,715.00	-	-
		Less: Allowance for bad and doubtful debts	-		
		Total (net of provision)	8,23,04,715.00	-	-

- There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other persons or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
- The Company has done the Impairment Assesement for Trade Receivables based on expected credit loss model considering the credit risk as significantely low. The Compnay has used a simplified approach based on a 12 months ECL. No provisioning has been made as the year 2017-18 is the first year of operation and all sales has been made to Holding Co. i.e Kkalpana Industries (India) Ltd. and therefore the company assumes there will be no default of payment.

			As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
10.	**CASH & CASH EQUIVALENTS**				
	(a)	Balance with banks:			
		- In Current Accounts	**8,70,223.92**	21,56,417.90	2,21,096.21
	(b)	Cash in hand (As certified by the management)	**72,481.09**	1,11,038.09	8,61,038.09
	(c)	Other Bank Balance			
		- Deposits with more than 3 months initial maturity	**25,000.00**	25,000.00	
		Total	**9,67,705.01**	**22,92,455.99**	**10,82,134.30**

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
11. OTHER CURRENT ASSETS			
(a) Other Advances			
(i) Unsecured, considered good			
- Balances with government departments	**14,35,654.00**		
Others	**13,50,000.00**		
(ii) Unsecured - considered doubtful	-		-
Total Other Advances	**27,85,654.00**	-	-
Less: Provision for doubtful advances	-		-
Total Other Current Assets	27,85,654.00	-	-
Less: Total provision for doubtful advances/ debts			-
Total (net of provision)	**27,85,654.00**	-	-

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

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
12. EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity)			
Authorised Shares			
2,49,000 (Previous Year: 2,49,000) Shares of Rs. 10 each	**24,90,000.00**	24,90,000.00	24,90,000.00
	24,90,000.00	24,90,000.00	24,90,000.00
Issued, Subscribed and Paid Up			
50,000 (Previous Year: 50,000) Equity Shares of Rs.10 each	**5,00,000.00**	5,00,000.00	5,00,000.00
	5,00,000.00	5,00,000.00	5,00,000.00

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

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	**Amount (Rs. In INR)**	No. of Shares	Amount (Rs. In INR)	No. of Shares	Amount (Rs. In INR)
Equity Shares outstanding at the beginning of the year	50,000	5,00,000.00	50,000	5,00,000.00	50,000	5,00,000.00
Equity Shares issued during the year	-	-	-	-	-	-
Equity Shares bought back during the year	-	-	-	-	-	-
Equity Shares outstanding at the end of the year	**50,000**	**5,00,000**	**50,000**	**5,00,000**	**50,000**	**5,00,000**

(b) Terms/ Rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of Rs. 10 per share. Each equity shareholder is entitled to one vote per share. The Company had declared and paid dividends in Indian rupee.

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

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

Sl. No.	Name of the Shareholders	As at 31st March 2018		As at 31st March, 2017		As at 1st April, 2016	
		No. of Shares held	**% of Holding**	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Kkalpana Industries (India) Ltd	45,000	90%	45,000	90%	-	-
2	Shyam Baba Trexim Pvt Ltd	5,000	10%	5,000	10%	-	-
3	Md. Naseem Khan	-	-	-	-	42,500	85.00%
4	Md. Taseem Naseem	-	-	-	-	5,000	10.00%
5	Gopal Chand Sudhar	-	-	-	-	2,500	5.00%

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

P R SHUKLA & ASSOCIATES * Chartered Accountants * Kolkata

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

(e) Retained Earnings

Nature and Purpose

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per last Financial Ststement	**(23,58,076.80)**	(15,95,050.80)	(10,31,057.26)
Add: During thr year	(1,74,65,333.52)	(7,63,026.00)	(5,63,993.54)
	(1,98,23,410.32)	**(23,58,076.80)**	**(15,95,050.80)**
Total Reserves	(1,98,23,410.32)	(23,58,076.80)	(15,95,050.80)

14. DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Liabilities :			
Depreciation and ammortization expenses			
Fair valuation of investments			
Items under financial assets and financial liabilities giving temporary differences			
Total (a)	-	-	-
(b) Assets :			
Depreciation and ammortization expenses	**1,69,785.07**	**1,69,785.07**	1,62,755.86
Exchange loss on loan for capital expenditure			
Provision for doubtful debts & obsolescence			
MAT credit entitlement			
Items under other comprehensive income			
Total (b)	**1,69,785.07**	1,69,785.07	1,62,755.86
Net Liability (a-b)	**(1,69,785.07)**	(1,69,785.07)	(1,62,755.86)

Reconciliation of deferred tax assets/ liabilites (net):	As at 31st March, 2018	As at 31st March, 2017
Opening balance as at year beginning	**(1,69,785.07)**	(1,62,755.86)
Tax (benefit) / expense during the period recognised in profit or loss		(7,029.21)
MAT Credit entitlement		
Tax (benefit) / expense during the period recognised in other comprehensive income		
Closing balance as at year end	**(1,69,785.07)**	(1,69,785.07)

15. SHORT TERM BORROWINGS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured			
(a) Loans repayable on demand			
Others			64,37,923.43
Related Party	**7,41,38,601.78**	73,52,730.00	
Total	**7,41,38,601.78**	73,52,730.00	64,37,923.43

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

K R SHUKLA & ASSOCIATES Chartered Accountants

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
16.	**TRADE PAYABLES**			
(a)	Micro & Small Enterprises			
(b)	Others			
	Sundry Creditors for goods			
	Related Party	9,67,94,644.00		
	Others	-		
	Sundry Creditors for expenses	42,15,870.50	3,35,992.50	3,35,992.50
	Total	10,10,10,514.50	3,35,992.50	3,35,992.50

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.

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
17.	**OTHER CURRENT LIABILITIES**			
(a)	Advance payments from customers			
(b)	Other payables			
(i)	Statutory dues	88,920.03	1,66,818.00	1,66,818.00
(ii)	Other	61,635.00	60,000.00	56,854.00
	Total	1,50,555.03	2,26,818.00	2,23,672.00

		2017-18	2016-17
18.	**REVENUE FROM OPERATIONS**		
(a)	**Sale of Products**		
(i)	Agglomerates	7,02,16,006.00	
(c.)	**Sale of Scrap**	6,08,000.00	
	Total	7,08,24,006.00	-

		2017-18	2016-17
19.	**OTHER INCOME**		
(a)	Interest income	28,597.02	37,254.00
(b)	Other non-operating income	5,000.00	
	Total	33,597.02	37,254.00

P R SHUKLA & ASSOCIATES * Chartered Accountants * Kolkata

20. COST OF MATERIALS CONSUMED

	2017-18	2016-17
Inventory at the begining of the year	-	
Add: Purchases during the year	8,59,90,757.00	
Less: Raw Material at the end of the Year	(2,29,93,320.64)	
Total Cost of Material Consumed	6,29,97,436.36	-

21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

	2017-18	2016-17
(a) Stocks at the beginning of the year		
Finished goods		
Work in progress		
	-	-
(b) Less: Stocks at the end of the year (refer note below)		
Finished goods	26,64,488.75	
Work in progress		
	26,64,488.75	-
Total	(26,64,488.75)	-

22. EMPLOYEE BENEFITS EXPENSE

	2017-18	2016-17
(a) Salaries, wages, bonus and gratuity	33,90,578.00	
(b) Contribution to Provident and other funds	56,610.00	
(c) Workmen and staff welfare expenses	10,200.00	
Total	34,57,388.00	-

23. FINANCE COSTS

	2017-18	2016-17
(a) Interest expense		
(i) On term loans, deposits		
(ii) To banks and others		
(b) Other borrowing costs	1,708.78	10,088.00
(c) Exchange difference to the extent considered as an adjustment to borrowing cost		
(d) Unwinding of discount		
Total	1,708.78	10,088.00

P R SHUKLA & ASSOCIATES
Chartered Accountants
Kolkata

24. OTHER EXPENSES

		2017-18	2016-17
(a)	Power & Fuel	**42,07,316.00**	
(b)	Clearing and Forwarding charges	**1,57,55,292.00**	
(c)	Rent- Refer Note No...	**20,51,324.00**	4,88,403.00
(d)	Repair & Maintenance - Machinery	**1,56,500.00**	
(e)	Insurance Charges	**1,85,377.00**	
(f)	Rates & Taxes	**3,400.00**	
(g)	Carriage and freight	**7,22,920.00**	
(h)	Payments to Auditors (Refer Note (i) below)	**10,000.00**	3,146.00
(i)	Interest on late payment of Stautory Dues	**22,985.00**	
(j)	Selling & Distribution Expenses	**2,09,200.00**	
(k)	Leagal & Professional fees	**2,62,230.00**	
(l)	Miscellaneous expenses	**2,18,947.67**	1,13,740.00
	Total	**2,38,05,491.67**	6,05,289.00
	Auditors' remuneration and expenses		
	Audit fees		
	Tax audit fees		
	Fees for other services		
	Reimbursement of out-of-pocket expenses		
		2,54,40,550.06	7,22,175.00

For P. R. Shukla & Associates
Chartered Accountants
Firm RegistrationNo. : 327768E

P. R. Shukla
Proprietor
Membership No. 300268

Date : 21st day of May, 2018
Place : Delhi

For and on behalf of the Board of Directors

Deo Kishan Kalwani
Din: 03363450
Director

Asipi Uma Chandra Rao
Din: 03387647
Director