



**BKM**  
INDUSTRIES LIMITED

(Formerly Manaksia Industries Limited)  
CIN: L27100WB2011PLC161235

**Registered Office:**  
5<sup>th</sup> Floor, Block – 3B  
Plot No. - II/F/11  
Ecospace Business Park  
New Town, Rajarhat  
Kolkata – 700 160, India

Date: 18.09.2018

Sec/Indus/203

<b>The Secretary ,</b> <b>National Stock Exchange of India Ltd,</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, 'G' Block, Bandra – Kurla Complex, Bandra (E), <b><u>Mumbai – 400 051.</u></b> <b><u>Code - BKMINDST</u></b>	<b>The Secretary ,</b> <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, <b><u>Mumbai – 400 001.</u></b> <b><u>Scrip Code : 539043</u></b>
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**Sub: Submission of Annual Report for the financial year 2017-18.**

Dear Sir/Madam,

As per Regulation 34(1) and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year 2017-18, as approved and adopted by the shareholders in the Annual General Meeting of the Company held on 7<sup>th</sup> September, 2018.

Request you to kindly put the same on your record.

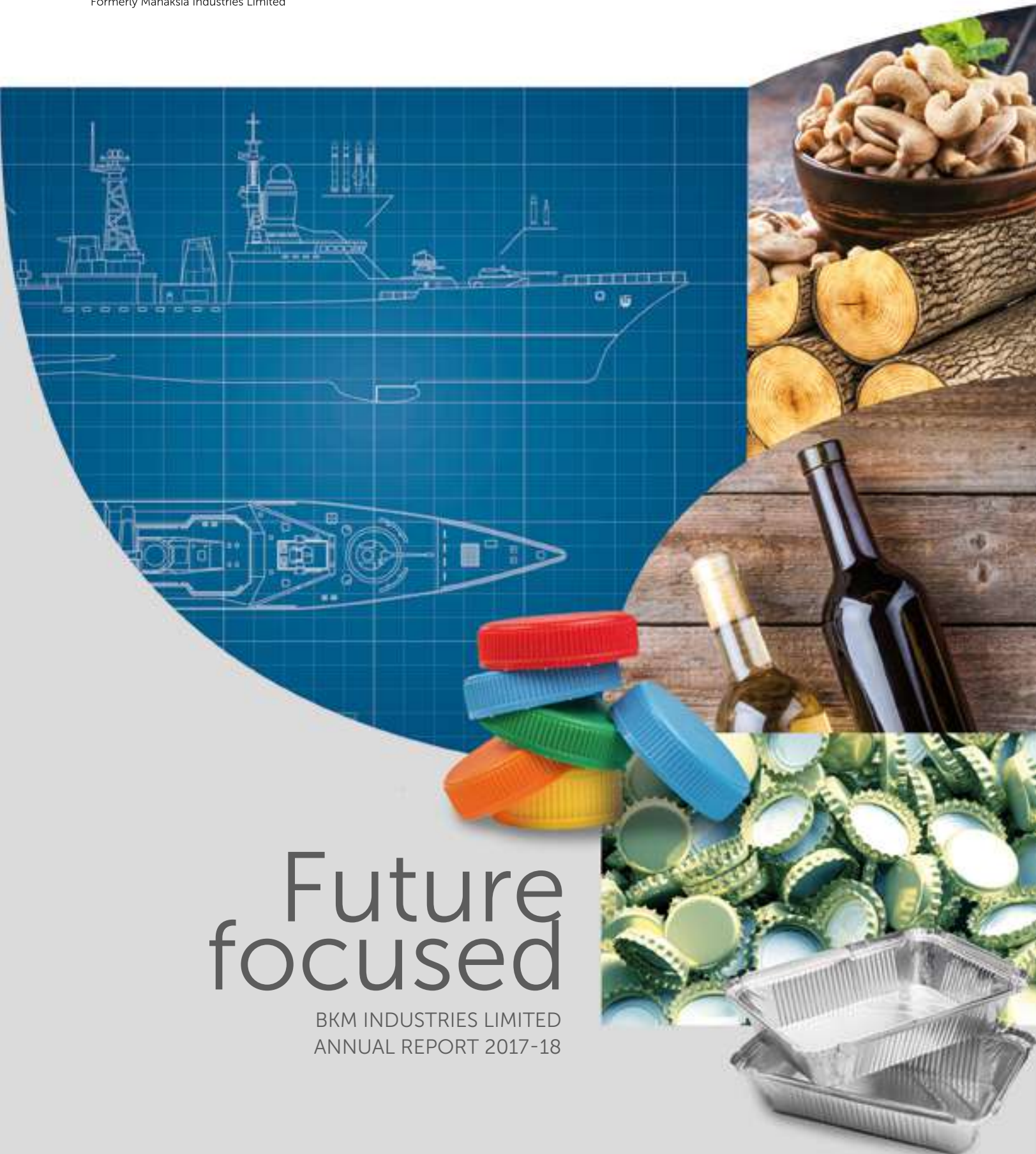
Thanking You,

**For BKM Industries Limited**  
**(Formerly Manaksia Industries Limited)**

**Surbhi Shah**  
**Company Secretary**



Encl: As above



# Future focused

BKM INDUSTRIES LIMITED  
ANNUAL REPORT 2017-18

## Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

\*All financial figures for 2016-17 in this report have been recast in accordance to Ind-AS.

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## Corporate Information

### CORPORATE IDENTITY NUMBER

L27100WB2011PLC161235.

### DIRECTORS

Mr. Basant Kumar Agrawal,  
*Chairman cum Managing Director.*  
DIN: 00520558

Mr. Aditya B Manaksia,  
*Whole-time Director.*  
DIN: 00614488

Mr. Navneet Manaksia,  
*Whole-time Director.*  
DIN: 00438612

Mr. Amitabha Guha,  
*Independent Director.*  
DIN: 02836707

Dr. Kali Kumar Chaudhuri,  
*Independent Director.*  
DIN: 00206157

Mrs. Smita Khaitan,  
*Independent Director.*  
DIN: 01116869.

### COMPANY SECRETARY

Ms. Surbhi Shah.

### STATUTORY AUDITORS

M/S. SRB & Associates.

### REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.  
59C, Chowringhee Road, 3rd floor,  
Kolkata 700020.

### REGISTERED OFFICE

Room No.504, 5th Floor, Block-3B,  
Plot no.- II/F/11,  
Ecospace Business Park,  
New Town, Rajarhat,  
Kolkata 700160.

### CORPORATE OFFICE

Bikaner Building, 3rd Floor,  
8/1, Lal Bazar Street,  
Kolkata 700001.

### BANKERS

State Bank of India.  
Allahabad Bank.  
Bank of Baroda.  
IDBI Bank Limited.  
ICICI Bank Limited.





BKM Industries Limited.

Not just an established  
packaging Company.

Also diversified into  
shipbuilding and agro-  
trading.

Driven by continuous  
innovation and prudent  
diversification.

Making it future-focused!

# 11

things you  
need to  
know about  
**BKM  
Industries  
Limited**



## 1# Our pedigree

The Manaksia Group was established in 1972 under the leadership of Mr. Basant Kumar Agrawal. The packaging and the semi-rigid container business of the group named as Manaksia Industries Limited post de-merger of Manaksia Group and was subsequently renamed as BKM Industries Limited. Possessing an experience of more than 45 years in packaging, BKM Industries Limited is arguably the largest packaging product and engineering company in Asia.

## 2# Our business divisions

Packaging	Engineering and marine	Steel	Agro trading
<ul style="list-style-type: none"> <li>• Roll-on pilfer-proof closures</li> <li>• Metal crown closures</li> <li>• Plastic closures</li> <li>• Printed metal sheets</li> <li>• Aluminum semi-rigid containers</li> <li>• Table foils</li> </ul>	<ul style="list-style-type: none"> <li>• Engineering design &amp; drawing</li> <li>• Engineering services</li> <li>• Ship Building</li> <li>• Machine Manufacturing</li> <li>• Building Information Modeling/Mechanical Electrical Plumbing</li> </ul>	<ul style="list-style-type: none"> <li>• Steel rods</li> </ul>	<ul style="list-style-type: none"> <li>• Timber</li> <li>• Cashew</li> <li>• Tea</li> </ul>

## 3# Our areas of engagement

- Liquor and beer packaging
- Pharmaceutical packaging
- Packaging of carbonated/non-carbonated soft drinks, fruit drinks and mineral water
- Domestic households and hotels
- Analysis
- Airports, Buildings, Malls and Ships
- Reverse engineering of vessels and buildings
- Scanning and digitisation
- 3D laser scanning
- Marine engineering and other software development work
- Agro commodity Trading

## 4# Our vision

To emerge as an Indian multinational and deliver exceptional quality products and services across the globe.

## 5# Our mission

We will pursue our vision through the following:

- **Customers:** Achieve a lasting partnership through an unwavering commitment to excellence in everything we do
- **Employees:** Trust, respect and empower our employees to help achieve their goals
- **Stakeholders:** Work with concern and well-being for our various stakeholders - by sharing the responsibility of their economic, social, physical and cultural environment

## 6# Our accreditations

BKM's divisions of metal crowns, plastic closures and polymer compounds for crown lining is certified for ISO 9001:2000 since its inception. The plants at Hyderabad and Silvassa have FSSC 22000 certification while the Haripal plant is ISO22000:2005 certified.

## 7# Our listing

The Company's shares are listed and actively traded on the Bombay and National Stock Exchanges. BKM Industries enjoyed a market capitalisation of ₹175.63 crores as on 31st March, 2018. Our promoters held 62.5% of the Company's equity capital on that date.

## 8# Our senior management

Basant Kr. Agrawal, Chairman & MD	Navneet Manaksia, Director	Aditya B. Manaksia, Director	Sandeep Sultania, Chief Financial Officer	Sanjib S. Sahoo, Senior Vice President – Marketing	Surbhi Shah, Company Secretary
A commerce graduate from Calcutta University, Mr. Agrawal has been spearheading the group for more than past 45 years.	A management graduate from The Wharton Business School, Mr. Navneet Manaksia looks after all the operations in India and Georgia.	A graduate in Information Technology from Bond University, Australia, Mr. Aditya B Manaksia looks after new project development and implementation as well as international relations.	A post graduate in commerce from Calcutta University and is professionally qualified CA, CS and CMA, Mr. Sultania looks after the corporate and accounting affairs of the Company.	A post graduate in marketing and finance from XIM- Bhubaneswar with >34 years of experience in international marketing, Mr. Sahoo is in charge of the marketing of all the products.	A graduate in Commerce from St. Xavier's College, also graduate in law and CS qualified professional. Ms. Shah looks after the Corporate affairs and related compliances of the Company.

## 9# Our locations

The Company is headquartered in Kolkata with manufacturing locations spread across West Bengal, Telangana and Silvassa. The Company has a subsidiary based out of Dubai by the name of Euroasian Ventures FZE for overseeing international trading and marketing operations and BK Manaksia Nigeria Limited in Nigeria for manufacturing & trading of packaging materials. The Company also has a manufacturing step-down subsidiary named Euroasian Steels LLC in Kutaisi (Georgia) for the manufacture of steel products.

## 10# Our achievements

- The first in India to introduce side-emboss and top-emboss caps in 1990
- The first in India to introduce new generation non-standard aluminum caps in the 28/38-mm size
- The first in India to introduce the peel-off paint transfer technology in 1997
- The first in India to introduce a different liner profile
- One of few Indian packaging companies to manufacture the entire cap range (18/10-mm, 30/60-mm, 20/12-mm and 22/12-mm)

## 11# Our customers

• Coca Cola • Pepsi • United Breweries • Carlsberg • Diageo (erstwhile United Spirits Limited) • Anheuser-Busch InBev (erstwhile SAB Miller) • Reckitt-Benckiser • Parle • Shiva Distilleries • Pernod Ricard • Albert David • Merck Limited • Wardex Pharma • Indian Coast Guard • Garden Reach Shipbuilders and Engineers Limited (GRSE) • Ganges Water Transport Co. Pvt. Ltd. • CAPEX - Government of Kerala undertaking.

## Our journey over the years

The birth of Manaksia was as early as 1972. The first humble beginning of this business conglomerate took shape as Hindustan Seals, a proprietorship promoted by Mr Basant Kumar Agrawal. Subsequently, the name changed to Manaksia Ltd, which by then had become a public limited company. In 2008, the Company made its first public issues of equity shares bringing in its fold a fresh set of shareholders. The Company also expanded into a multi-divisional conglomerate. The Company later de-merged in to five public limited entities, one of which was Manaksia Industries Limited with its headquarter in Kolkata.

As the Manaksia Group, the growth it witnessed in the late nineties and early part of the twenty-first century was phenomenal. The late nineties also saw a liberalisation wave sweeping across the country, which transformed a largely import-based economy to a robust manufacturing one. The Manaksia group also rapidly expanded within the country exceeding twice its production capacity and establishing a pan-India presence in very short span of time.

The emerging opportunities for its range of products prompted the Company to set foot in Africa in the nineties. It first established a caps and closures operations there as a Greenfield investment to carefully nurture a vastly virgin and eager market. The African foray proved to be immensely successful giving the Company its first foreign flavour.

International trade was the next attraction and it took the Group to Dubai. Since early 2000, the trading operations have shown considerable growth.

The Company also saw trading opportunities in East Europe. It Identified Georgia as the next destination to expand its business interest where it commenced trading in ferrous and non-ferrous metal scraps subsequently the economic realities in the region altered providing the Company with an opportunity to enter into manufacturing of steel rods there.

With the addition of agro-based products to the overall trading basket, this is expected to become crucially important from the profitability point of view.

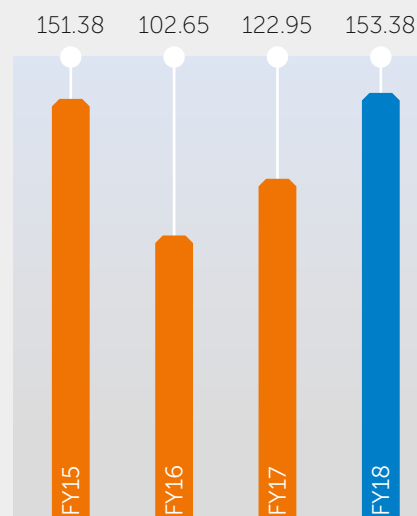
In 2017, Manaksia Industries Limited was rechristened as BKM Industries Limited to distinguish itself from the other Companies of the Manaksia group.



## Our performance down the years

### Revenues

(₹ crore)



### Definition

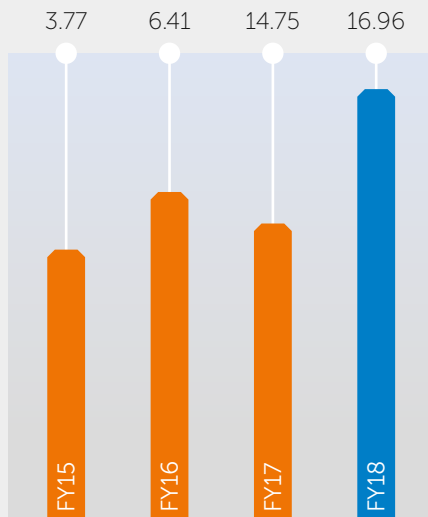
Growth in sales net of taxes and duties.

### Why this is measured

Generally, revenues will increase a corporation's stockholders' equity and its assets. More specifically, revenues will increase the retained earnings section of stockholders' equity. The assets that usually increase are cash or accounts receivable.

**EBITDA**

(₹ crore)

**Definition**

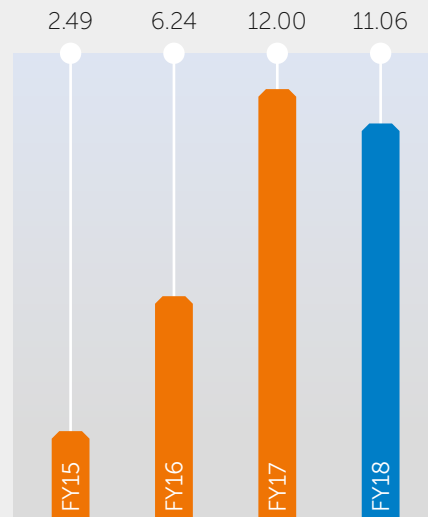
Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

**Why this is measured**

It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures and can be easily compared with retrospective averages of sectoral peers.

**Operating margin movement**

(%)

**Definition**

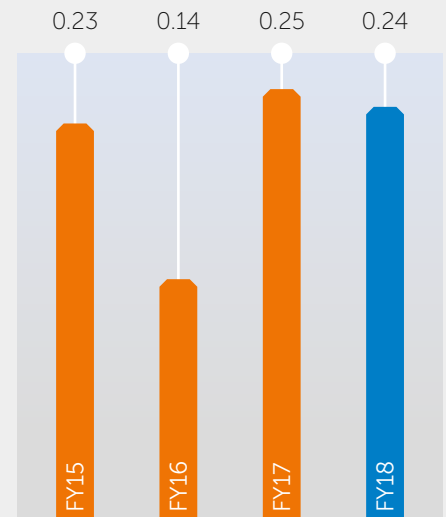
The movement in percentage points in operating profit before interest, depreciation, exceptional items and tax when divided by the Company's revenues.

**Why this is measured**

This movement essentially indicates whether the business is becoming more efficient or not.

**Debt-equity ratio**

(x)

**Definition**

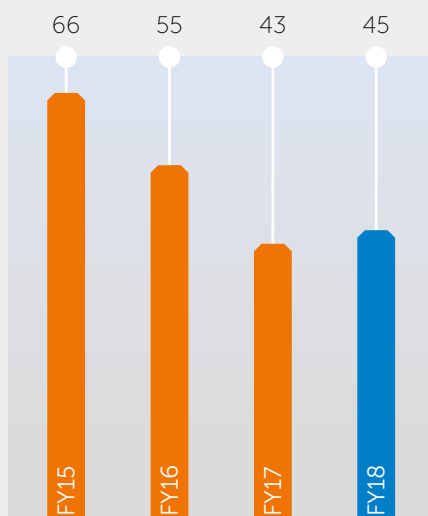
This is calculated by dividing the debt by the net worth (less revaluation reserves).

**Why this is measured**

This measure is a good indicator of a Company's financial health and depicts the Company's ability to remunerate shareholders over debt providers. The lower this ratio, the better for the Company.

**Raw material costs**

(%)

**Definition**

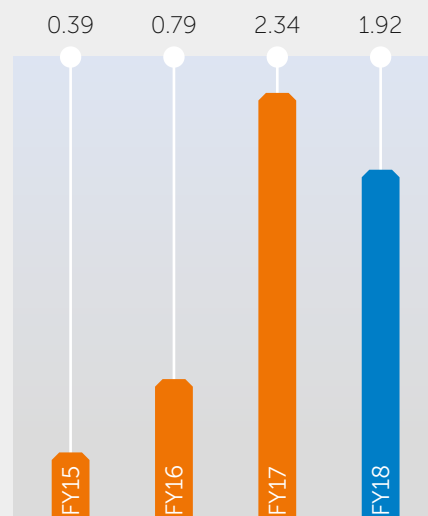
This is derived through the computation of raw material cost as a percentage of net revenue from operations.

**Why this is measured**

Raw material costs represent the highest cost component in the business. Any moderation in raw material costs can enhance profitability and competitiveness.

**Interest cover**

(x)

**Definition**

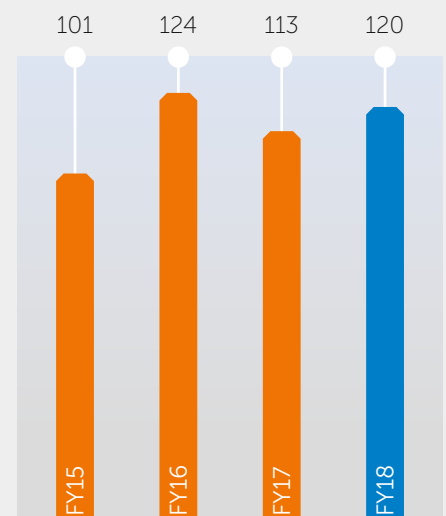
This is derived through the division of EBITDA by interest outflow.

**Why this is measured**

Interest cover indicates the Company's comfort in servicing interest, the highest the better.

**Sundry debtors' cycle**

(days of turnover equivalent)

**Definition**

This is derived through the division of the quantum of debtors by turnover, multiplied by 365.

**Why this is measured**

It provides a clear perspective on the speed with which revenues are coming into the Company (the fewer the number of days, the better).





# At BKM Industries, we are addressing years of extensive under- penetration correcting itself.

India is the third-largest and fastest-growing liquor market in the world.

And yet, about 30% of India's population consumes alcohol. In 2018, the nation's total alcohol consumption was 5.1 litres per capita compared to the Asian average of 20.9 litres per capita.

India's beer consumption was 4.6 litres per capita as against 57 litres per capita in some of the fast-growing economies in Asia (2016 figures).

These low consumption averages indicate years of sustainable growth ahead for India across the respective categories.

India's alcoholic beverages market is expected to grow at a CAGR of ~7.72% to ₹5.3 trillion by 2026. The domestic

consumption of IMFL is expected to grow at a CAGR of 4.5% through to fiscal 2021. Beer sales are also expected to increase at a CAGR of 7.5% between 2017 and 2021.

This robust growth should translate into an increased need for caps and closures.

*Enlarging the market for a future-focused BKM Industries.*

India's  
alcoholic  
beverages market is  
expected to grow at a  
CAGR of ~7.72% to

₹5.3  
trillion  
by 2026



The Company intends to leverage its rich engineering insight to provide solutions to customers across downstream sectors, products and geographies.



# At BKM Industries, we have extended beyond the manufacture of products to the delivery of solutions.

At BKM Industries, we believe that we are in business to partner customers in their growth journey as opposed to merely selling to them.

Over the foreseeable future, we expect to grow customer engagements by providing them with comprehensive technical capability in the manufacture of ROPP caps and closures. In doing so, we expect to assist them in the successful launch of products, making the packaging more attractive on the one hand and protecting product integrity on the other.

The Company comes with excellent credentials in this regard. Over the years, the Company distinguished itself through a number of product innovations:

- Introduction of side and top embossed caps
- Aluminum caps of 28/38 mm size
- Peel-off paint transfer technology
- Caps ranging from 18/10 mm to 30/60 mm

Maharashtra Government's ban for plastic bag, thermocol plates and cups, beverages (<500 ml) in PET etc., increasing consumer awareness on non-usage of food items in plastic, awareness on affect of random disposal of plastics on environment suggests that the packaging trend will be for returnable ones, which will be good for the Company and its product profile.

The Company intends to leverage its rich engineering insight to provide solutions to customers across downstream sectors, products and geographies.

The Company's ability to extend a solution from equipment fabrication to deep product understanding is expected to translate into an enhanced share of a growing market.

Strengthening the Company's positioning as an effective future-focused solutions provider.





At BKM Industries, we see this year as a new beginning.

Following a business de-merger a few years ago, the Company emerged with a stronger focus on its longstanding strengths in the packaging business of cap and closure manufacture.

We believe that the de-merger empowered the Company to deepen its presence in its core business on the one hand and liberated it to seek wider and synergistic opportunities on the other.

In line with the new-found hunger to grow the business, the Company re-branded itself away from the erstwhile Manaksia Industries Limited to become BKM Industries Limited. The new name captures the initials of the Company's promoter on the one hand and showcases the Company's new personality on the other.

## CHAIRMAN'S STATEMENT

BKM Industries is a future-focused company with enhanced confidence to address new sectors, business and geographies. The reinvented company will make a more extensive use of its people, practices, knowledge and infrastructure to enter adjacent business spaces (as in the manufacture of PET bottles, caps and closures), providing higher value-addition and the opportunity to extend beyond products to solutions. The Company intends to utilise its assets more optimally (as in the steel business), generating incremental revenues and a higher return on employed capital. Besides, the Company intends to enter completely new verticals (agro trading) with a large operating leverage in terms of the number of products and the long-term potential in the business.

At BKM Industries, we are focused on shareholder value accretion. We believe that during the current year, the Company should be able to commission new facilities or reactivate existing businesses with the objective to enhance revenues and surpluses. The Company is diversifying its packaging operations across Bangladesh, Africa and Sri Lanka with manufacturing facilities expected to be commissioned by next year. In Africa, the Company plans to enter the manufacture of PET bottles,

ROPP caps and crown closures. The Company's steel operations in Georgia are scheduled to commence in 2018, capitalising on improved market conditions. The Company plans to make fresh investments in its marine business and emerge as one of the most efficient marine units in Eastern India. The Company is also seeking opportunities in the design and manufacture of fish trawler, barges and tug boats. Besides, we believe that our agro-trading business will generate positive returns from 2018-19 onwards, the first full year of the business. The interplay of these initiatives is expected to kick start growth and translate into robust business sustainability.

Our economy is robust. Our nation has emerged as the fastest growing major economy in the world is expected to be one of top three economic powers in the next 10-15 years. This growth in the Indian economy is being backed by a proactive government.

The secret to change is focusing all energy, not on fighting old systems but building new ones. In the past couple of years, there have been a lot of changes in the Indian economy. The single largest reform has been the implementation of GST. This game changing reform has benefited the economy greatly. Besides simplifying

the tax structure, it has increased demand and supply of goods and widened the nation's tax base.

From BKM's perspective, GST has been highly beneficial to us. It has initiated a shift of power from the unorganised to the organised players which have enhanced the revenues of our packaging division.

On an ending note I would like to say we are extremely optimistic about the coming year and the new initiatives and businesses that we have undertaken should translate into healthy margins and enhance value of all our stakeholders.

**Basant Kumar Agrawal,**  
*Chairman*

At BKM Industries, we are focused on shareholder value accretion. We believe that during the current year, the Company should be able to commission new facilities or reactivate existing businesses with the objective to enhance revenues and surpluses.

# Operational review, 2017-18

A conversation with Navneet Manaksia  
and Aditya B. Manaksia, *Whole-Time Directors*



**Q:** Were you happy with the way the Company performed during FY2017-18?

**A:** There were a few hiccups during the course of the financial year under review, but the bottomline is that I was more or less satisfied with our performance given the circumstances. Following the implementation of the GST, there was de-stocking by customers and there was a slowdown in fresh purchases. It was only during Q2 that purchases began to revive. We worked closely with our clients and endeavored to deliver superior value during this transition. Given this reality, we performed satisfactorily.

**Q:** What challenges and opportunities lie ahead?

**A:** Water packaging is the fastest-growing segment of the beverage market, with PET being widely used. Most packaged products are designed for single use, so plastic is the preferred material on account of its low cost. Increase in demand for packaged portable water is strengthening demand for packaging material (caps and closures). Crude oil refiners worldwide are increasingly resorting to downstream integration to improve profit margins. This has resulted in an easier availability of polymer resins and a relative moderation in polymer

## The GST gamechanger

The ROPP caps and closures business faced unfair competition from unorganised players

All players with a turnover of below ₹2 crores were exempt from paying any taxes

Low entry barriers meant depressed realisations

Following GST implementation, the relative competitiveness of organised players has improved

BKM is attractively placed to capitalise on the sectoral inflection

prices. The development of cost-competitive and energy-efficient equipment has catalyzed the market for plastic packaging. However, the incompatibility of substrates (polypropylene and polyethylene with certain organic liquids and mineral acids) is affecting market growth. Our challenge lies in commissioning best-in-class automation and mobilisation of adequate funds at competitive costs.

### Q: How is the Company countering these challenges?

**A:** We are studying international technology developments to stay relevant. Besides, we are broad-basing our global presence. On the financial front, we are focusing on reducing working capital cycles. Here I must add that efficient fund management and longstanding vendor relationships helped protect our working capital management. The Company's packaging business generated export revenues worth US\$ 36,58,115.90 as of 31 March 2018 and this segment is expected to grow 50% during FY2018-19.

### Q: Has GST implementation been beneficial?

**A:** While GST implementation did have its accompanying teething troubles, it has given organised players reasons to be optimistic. Until recently, the

caps and closures sector in India was largely unorganised, operating outside the tax purview that made it possible to price competitively compared with organised players like BKM. Following the introduction of GST, users are less inclined to patronise unorganised manufacturers since they are likely to suffer input credit losses, strengthening prospects for companies like ours.

### Q: What were the highlights of the Company's working during the year under review?

**A:** We sustained initiatives in entering new geographies and relatively untapped markets. We strengthened our existing businesses and revived our marine business. The latter decision was undertaken to address the country's inland water transport prospects. Our Georgian operations, which were stalled due to a recession in the steel sector and in Eastern Europe, are expected to resume by Q3 of FY2018-19 following investment in equipment and personnel. During the year under review, we ventured into trading cashew and timber with expectations of deepening our engagement. We selected to enter the agro-trading business to address a burgeoning retail sector where we are already marketing our products, making it possible to capture a larger wallet share.

### Q: How optimistic are you about the Company's prospects?

**A:** Looking ahead, our ability to address emerging customer requirements by leveraging our robust management practices will serve us in good stead.

The Company's traditional line of business is seeing a substantial increase in clients within the country and overseas. The Bangladeshi and Sri Lankan markets appear promising. The scope for growth in innovative packaging is huge with consumers becoming increasingly demanding in their need for healthy and hygienic food products. As far as our agro-trading business is concerned, we are sourcing cashew and timber from Africa to meet the ever-increasing demand in Indian markets. Having taken care of the critical aspect of raw material supply, I can safely say that our growth prospects in this line of business have brightened considerably.

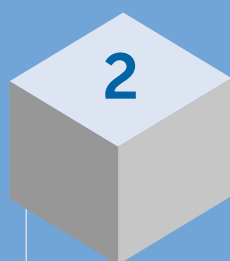


# The BKM business model



## Sectoral expertise

The Company possesses a rich experience of 45 years, possessing rich customer relationships, knowledge and quality accreditations.



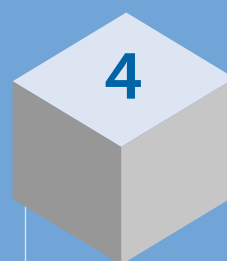
## Capacity expansion

The Company has prudently invested in enhancing its capacities at the right time. From units in India it has expanded to units abroad.



## Engineering excellence

The Company's engineering excellence is a manifestation of its superior intellectual capital and manufacturing processes. The Company leveraged its power press technology from the caps and closures business to branch into the manufacture of metal containers.



## Global presence

The Company ventured into untapped markets, low infrastructure costs, raw material proximity and abundant worker availability. This strategy de-risks the business from an overt dependence on a specific location. The Company intends to enhance its global business in FY19 following increased export and resumption of its Georgian steel facility. The Company earned 6.04% of revenues from exports in FY18.

## Value impact

### Revenues (₹ crore)

2017-18
157.49
2013-14
92.52
Growth (%)
70

### Net profit (₹ crore)

2017-18
5.27
2013-14
0.18
Growth (%)
2828

5

**Differentiated mindset**

The Company constantly endeavors to offer innovative products to customers, which have thereafter become sectoral standards. The Company was the first to introduce side-embossed and top-embossed caps and peel-off paint transfer technology.

6

**Sell-and-make strategy**

The packaging products manufactured by the Company are at par with the best in the world and customised around user needs. This sell-and-make strategy has allowed the Company to de-risk, protect margins and enhance revenue visibility over a make-to-sell approach.

7

**Enduring relationships**

Meeting consumer expectations in the packaging business is often a challenge because of the fluctuating nature of these requirements. By providing retrofitted solutions promptly and cost-efficiently, the Company has enhanced recall, reinforcing its identity as a solution-centric and relationship-driven partner.

8

**Qualitative consistency**

The Company is respected for its quality excellence derived from state-of-the-art equipment, deep sectoral knowhow and a hands-on approach.

**Net worth**  
(₹ crore)

2017-18
119
2013-14
122

**Return on capital employed**  
(%)

2017-18
12
2013-14
4

## OPERATIONAL OVERVIEW 1

# Steel



### Overview

Euroasian Steels LLC is a step-down subsidiary of BKM Industries Limited (erstwhile Manakia Industries Limited) through its wholly owned subsidiary Euroasian Ventures FZE, Dubai. This subsidiary's steel-making facility is located in Georgia. Operations at this plant were disrupted for three-and-a-half years following demand reduction and a slowdown in consuming markets and cheaper Chinese imports. However, Georgia's strategic location, long-term growth prospects and rising demand in its neighbouring countries offer attractive prospects and the Company seeks to resume operations by Q3 of FY2018-19.

### Competitive edge

- Located in Kutaisi, the second-largest city of Georgia and proximity to two ports, Poti (110 kilometres) and Batumi (150 kilometres)

- The Company's cutting-edge plant is equipped with four induction furnaces with a capacity of 8.5 MT each (annual throughput of ~100,000 MT of mild steel ingots) as well as a rolling mill with an installed capacity of ~100,000 MT.
- Access to low-cost power and zero debt on the books
- A dedicated 2-kilometre railway line around and inside the factory premises, facilitating raw material access
- Investment in sophisticated equipment like dumpers, mobile cranes and baling presses, among others, which make raw material handling and processing more convenient.
- Investment in a state-of-the-art laboratory and tool room with ample land availability for expansion
- Compliance with GOST standards as set down by the Euro-Asian Council

for Standardisation, Metrology and Certification

### Highlights, FY2017-18

- Capitalised on Georgia's growth from an infrastructural standpoint during the past three years, which shored demand for thermo-mechanically treated steel bars
- Tested equipment in 2018 to ensure it is capable of operating at optimal capacity

### Outlook, FY2018-19

- Resume Georgia operations
- Source raw materials locally and resume operating at 50% capacity

OPERATIONAL OVERVIEW **2**

# Marine



## Overview

The maritime sector is closely linked to a nation's economic activity and this industry acts as a primary means of international transport of any essential commodity.

The focus of Central Government is on water transports to minimise transport cost and reduce automobile emission. BKM is capable of designing and manufacturing tailor made barges, pontoon etc., which can easily meet the emerging demands.

The Company is engaged in this area of business through the design and manufacture of small cargo vessels for use on waterways and ship hull block fabrication (15 to 180 metric tonnes).

The Company's principal clients comprises of Garden Reach Shipbuilders & Engineers Limited, Indian Coast Guard and Ganges Water Transport Co. Pvt. Ltd., among others.

## Competitive edge

- Trained engineers and technicians capable of preparing ship systems and structural drawings
- Experienced team comprising qualified welders, fitters and riggers
- Experience of working in high security areas of Defence and Navy
- State-of-the-art infrastructure captive infrastructure comprising overhead sheds and electric cranes for material handling, among others

## Highlights, FY2017-18

- Started work on the incomplete Barge which is now about 65-70% complete
- Possessing a fully covered slipway 70mX16m with 15 MT EOT Crane
- Have done as fitted drawing of ASW Corvette and many landing craft utility for Indian Navy

## Outlook, FY2018-19

- Assume projects in ship construction, hull block fabrication and erection, among others
- Strengthen the marketing team to bag orders



## OPERATIONAL OVERVIEW **3**

# Packaging



- Ability to customise designs as per client needs
- State-of-the-art technology, enhancing manufacturing efficiency
- In-house aluminum cap manufacturing capability
- 90% of the employees in the packaging division have been working with the Company since inception
- Members of this division are seasoned professionals of the FMCG/ packaging sector, addressing trends and opportunities quicker

### Highlights, FY2017-18

- Commenced Phase-I of the expansion; operationalised new equipment at the Nigerian manufacturing facility
- Set-up a manufacturing facility in Ota, Nigeria, proximity to port Apapa, Lagos
- Commenced marketing operations in Nigeria to bag new contracts
- Increased focus on the domestic market
- Introduced products in Myanmar, Bangladesh, Iran and Malaysia and received a positive feedback
- Certified with the FSSC 22000 accreditation, becoming one among very few Indian corporate to have earned it

### Outlook, FY2018-19

- Establish manufacturing units in Bangladesh
- Bag contracts from Myanmar clients
- Begin full-fledged manufacturing operations in Nigeria
- Market the products aggressively
- Consolidate position in the domestic market
- Focus on SRC exports

### Overview

The Company enjoys a vast experience of >45 years in the packaging business segment. The Company has been involved in the manufacture of diverse packaging products (ROPP closures, CSD closures and crown closures). It caters to the growing needs of the food and beverages industry, ensuring contamination-free consumption and product transportation.

The Company possesses an aggregate manufacturing capacity of 1,523 lakhs units per month, 1,296 lakhs pieces of ROPP closures a day and 3.75 MT of semi-rigid containers per day.

This division is also engaged in the manufacture of aluminum foils and semi rigid containers (SRC) used in packaging of ready-to-eat meals and snacks. These products are manufactured using food grade material and are ISO 22000:2005 certified. The unit follows the principles

laid down under HACCP and Kosher. The division's manufacturing facility is located in Haripal with a manufacturing capacity of close to 100 MT per month.

The Company's principal clients include Coca-Cola India Incorporated, PepsiCo (India) Holdings Private Limited, Carlsberg India, and United Breweries Limited, among others.

### Competitive edge

- Dedicated marketing team with different managers for each function
- 100% adherence to timely client deliveries
- Ability to manufacture ROPP caps in range from 18/10 mm to 30/60 mm and any other non standard size as per customers' demand
- Semi-rigid containers available in 32 sizes

## OPERATIONAL OVERVIEW 4

## Agro-commodities trading



### Overview

India is an agrarian economy with >52% of the land area considered arable. India is among the highest-ranking countries by volume for commodities like rice, cotton and dairy products. The Company decided to venture into this business beginning with the trading of cashew, timber and tea. The Company aims to expand its commodity basket by extending to maize, sesame, peanuts and soybeans. The Company created a subsidiary called BKM Agrotech Private Limited to enhance trading focus.

### Competitive edge

- In the next three years, the demand for nuts, oilseeds and timber is expected to increase
- There is already a robust demand for cashew and timber in India and abroad

- The products addressed by the Company enjoy attractive margins
- The Company is present in key financial and trading hubs (Dubai) through subsidiaries

### Highlights 2017-18

- Formed a core team with specialised people involved in each of the segment's functions such as marketing, quality control, exports, etc.
- Entered agro-commodity trading with raw cashew nuts, timber, maize and tea
- Have successfully sourced timber from Ghana and raw cashew nuts from Tanzania
- Bagged contracts from the Ghanaian corporates for timber and the Kerala State Government's Undertaking for raw cashew nuts

### Outlook 2018-19

- The Company plans to venture into other varied agro-commodities such as almonds, soy seeds, cloves, cardamom, etc.
- BKM's major procurement countries for timber will be Africa, Latin America, and Ukraine & CIS Countries. Whereas major selling countries will be India, Malaysia, South Africa, Vietnam, Indonesia, China, USA & Middle east

# Management discussion and analysis

## Global economic overview

In 2017, a decade after the global economy spiraled into a meltdown, a revival in the global economy became visible. Consider the realities: Every major economy expanded and a growth wave created jobs. This reality was marked by ongoing Euro-zone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, a good 60 bps higher than the previous year.

Currently Crude oil is on a strong uptrend. Since December 2017, the

price for WTI has see-sawed several times, moving between a low of \$60/bbl to a high in the \$65/bbl range. While prices have somewhat softened, there are reasons to believe that they could go higher. A few reasons may be attributed to this expected climb in prices:

- Saudi Arabia has been meeting with other OPEC nations and other key influencers to signal the Kingdom's desire to move the Brent crude price up into the \$80/bbl range
- The International Energy Agency has announced that crude oil inventories will fall below the rolling 5-yr average,

signaling a re-balancing of the global supply and demand and end of the supply glut that caused prices to collapse in 2014

- The overall OPEC production has dropped significantly during 2018 and the expectation of increasing prices are arising due to a strong continuing demand for crude globally
- The tensions in the Middle East have risen significantly, adding to the "fear premium" in crude prices

## Global economic growth for 6 years:

Year	2014	2015	2016	2017 (e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.9

[Source: World Economic Outlook, January 2018] e: estimated f: forecasted

## Outlook

The outlook for advanced economies improved, notably for the Euro area, but in many countries inflation remained weak, indicating that slack was yet to be eliminated, and prospects for growth in GDP per capita were held back by weak productivity growth and rising old-age dependency ratios. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting improved momentum and impact of tax policy changes in the US.

(Source: WEO, IMF)

## Indian economic overview

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated to be 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies, and achieved through lower inflation, improved current account balance and reduction in fiscal deficit to GDP.

The year under review was marked by various structural reforms by the

Government and after remaining in negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to USD 414 billion as on January 2018.

(Source: CSO, economic survey 2017-18)

## Key government initiatives

**Bank Recapitalisation scheme:** The Central Government announced capital infusion of ₹2.1 lakh crores in public sector banks. The measure entailed a budgetary allocation of ₹76,000 crores by the Central Government, while the remaining

amount is to be raised by the sale of recapitalisation bonds.

(Source: KPMG)

**Expanding road network:** The Government of India announced a ₹6.9 lakh crores investment outlay to construct 83,677 kilometres of road network, over a period of five years. The ambitious programme is expected to generate 14.2 crores man-day jobs for the country and boost road infrastructure.

(Source: KPMG)

**Improving business ecosystem:** The country was ranked at the hundredth position, an improvement of 30 places in the World Bank's Ease of Doing Business 2017 report, a result of the Central Government's pro-reform agenda. In addition, Aadhaar-based identification approach could streamline the regulatory regime.

(Source: KPMG)

**Goods and Services Tax:** The Government of India carried out a significant overhaul of the indirect tax regime and launched the GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services would be taxed as per five slabs (28%, 18%, 12%, 5% and zero tax). Post-GST implementation a 50% increase was recorded in unique indirect taxpayers.

(Source: KPMG)

**Foreign Direct Investment:** The ability to attract large scale Foreign Direct Investment (FDI) into India has been a key driver for policy making by the Government. Foreign Direct Investment into India steadily increased from approximately USD 24 billion

in FY2012 to approximately USD 60 billion in FY2017, which was an all-time high.

**Coal mining opened for private sector:** Ending state monopoly, the government has opened coal mining to the private sector firms for commercial use. The move for energy security through assured coal supply is expected to attract major players, enhance sectoral efficiency, widen competition, increase competitiveness and induct the best technologies.

(Source: The Hindu, Business Today)

**Doubling farm incomes:** To improve the living conditions of farmers, the government initiated a seven-point action plan to double incomes by 2022.

(Source: PIB)

#### Outlook for India

World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and services are expected to continue to support economic activity. Over the medium-term, GST introduction is expected to catalyse economic activity and fiscal sustainability. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector Balance Sheets, enhance credit to the private sector and spur investment.

(Source: IMF, World Bank)

### Global packaging sector overview

The global packaging market is estimated to total USD 424 billion with

an annual growth rate of 3.5%. Europe accounts for USD 127 billion (30%), North America for USD 118 billion (28%), Asia for USD 114 billion (27%), Central America for USD 30 billion (7%) and other countries for USD 30 billion (8%). The global market for flexible packaging totaled USD 104.527 billion in 2016. Over the coming five years it is expected to grow to USD 138,680 billion.

While the Asia-Pacific region is still the market leader in flexible packaging, demand from such threshold countries as China and India, Brazil and Mexico is rising. Even as packaging made of paper, cardboard and paperboard accounts for the lion's share at 46%, the production of steel-based metal packaging went up by 12.9%.

The demand for packaging is rising disproportionately fast in threshold countries. The global e-commerce industry which includes online retail shopping has witnessed a substantial growth during the period between 2014 and 2017 and is expected to grow further due to increased penetration of internet in emerging nations such as India, China, Brazil, Mexico, and South Africa. This growth in online retail sales has boosted the demand for packaging products to ensure safe shipment of products. The main drivers for the global packaging sector are an increasing awareness among consumers about health and wellness, growing awareness about environmental issues and impact of various macroeconomic trends.

(Source: Smithers Pira, PR Newswire, Mintel, Interpack, Research and Markets)



## Five trends impacting the global packaging sector

- **Lesser waste:** The throwaway culture of today will evolve into one that understands and embraces the role of packaging as a primary means to reduce global food and product waste. Consumers have long considered packaging as often unnecessary and ultimately as just waste to be disposed of. But that misconception is now changing. A focus on package innovations that extend food freshness, preserve ingredient fortification and ensure safe delivery is increasingly benefiting consumers.
- **Cleaner labels:** Aiming for packaging designs that enlighten consumers' purchase decisions,

brands will reject approaches that offer too much or too little, as they can leave shoppers more confused than ever. This can lead to the questioning of provenance, authenticity, and transparency. Hence, the need of the hour is cleaner labeling.

- **Better e-commerce packaging:** As more and more consumers embrace online shopping, packaging will play a pivotal role in brands' and consumers' e-commerce experiences. However, while the key advantage of online shopping is convenience, consumers expect more from their favoured brands.
- **Greater eco-friendliness:** Concerns over safe packaging disposal will increasingly colour

consumers' perceptions of different packaging types, and impact shopper purchase decisions. While collecting waste plastic from the sea to recycle into new packaging can raise consumer awareness, it won't solve the problem. In order to keep plastic out of the sea, a renewed effort towards the circular economy needs to be seen.

- **Keener youth focus:** Brands will look to contemporary packaging formats to help reinvigorate the centre-of-store aisles less visited by younger consumers. Young shoppers are increasingly 'shopping the periphery', visiting the fresh and chilled aisles around the store perimeter and turning their backs on processed, ambient, and frozen offerings in the centre of the store.

## Global caps and closures sector overview

The global market for caps and closures was valued at USD 49.78 billion in 2015 and it is expected to grow at a CAGR of 4.9% between 2017 and 2023. In volume terms, this market is likely to surpass 3.34 trillion units by 2023, growing at a CAGR of slightly more than 4.4% between 2017 and 2023. Caps and closures play an important role in packaging and are widely used by various industries such as food, beverages, and healthcare. Increasing consumption of carbonated

beverages, soft drinks and other bottled beverages is expected to fuel the demand for caps and closures. Another trend that is prevalent in this market is due to increasing urbanisation with consumers shifting towards healthy and safe packaged food. Emerging nations such as India, China, and Brazil are all witnessing a shift in the buying patterns of consumers towards packaged food and beverages owing to increasing disposable incomes. The growth drivers for the caps and closures segment are an increasing demand from the Asia Pacific region, growing

diversity in terms of applications of caps and closures, a rising need for storing food and beverages longer and mounting consumer concerns regarding product safety.

The Asia Pacific region leads the market with the majority of the demand coming from the packaging niche. Nations such as Brazil and Argentina have untapped potential and are expected to offer lucrative opportunities for dedicated players.

(Source: Businesswire, Infinium Global Research, Market Research Future, Grand View Research)

## Global caps and closures market sub-divisions

By material	By type	By application	By region
<ul style="list-style-type: none"> <li>• Plastics</li> <li>• Metals</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Caps</li> <li>• Closures</li> <li>• Corks</li> <li>• Stoppers</li> <li>• Cans</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Food and beverages</li> <li>• Pharmaceuticals</li> <li>• Cosmetics</li> <li>• Automotive components</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• North America</li> <li>• Europe</li> <li>• Asia Pacific</li> <li>• Rest of the World</li> </ul>

(Source: Market Research Future)

## Global aluminum sector overview

2017 was a year of surprises for the aluminum market as prices moved to the tune of Chinese Government's announcements. During the year, the Chinese Government mandated a 30% production cut at smelters and refineries in 28 cities to reduce air pollution during the winter months. China also permanently took ~3-4 million tonnes of annual capacity offline at operations without permits. The dramatic turnaround in market fundamentals sent London

Metal Exchange aluminum prices decisively over the USD 2,100-per-tonne mark. Benchmark London Metal Exchange aluminum prices gained 23% in 2017, reaching a peak of USD 2,215 in October, the highest level seen in over five years. Global refined aluminum consumption is forecast to grow by 3 to 4% annually in 2018 and 2019.

(Source: Alcoa, Citigroup, Research and Markets)

### Global annual production levels, FY2017-18 (metric tonnes)

North America	3,950
South America	1,378
West Europe	3,776
East & Central Europe	3,999
Africa	1,679
Asia (excluding China)	3,951
China reported	32,255
China unreported (estimate)	3,650
Oceania	1,817

(Source: world-aluminum)

## Indian packaging sector overview

Currently the fifth-largest sector of India's economy, the industry has reported steady growth over past several years and shows high potential for much expansion, particularly in the export market. Costs of processing and packaging food can be up to 40% lower than parts of Europe which, combined with India's resources of skilled labor, make it an attractive venue for investment.

A high degree of potential exists for almost all user segments which are expanding appreciably-processed foods, hard and soft drinks, fruit and marine products. The Indian packaging industry has made a mark with its exports that comprise flattened cans, printed sheets and components, crown cork, lug caps, plastic film laminates, craft paper, paper board and packaging machinery, while the imports include tinsplate, coating and lining compounds and others. In India, the fastest growing packaging segments are laminates and flexible packaging, especially PET and woven sacks.

The Indian packaging industry will see notable growth over 2016-2021, growing at a CAGR of 9.2%, compared to 6.2% during 2011-2016. The growth of the Indian packaging industry will

be heavily influenced by changing demographics such as growing urbanisation and the rising proportion of middle-class consumers. These changes will drive the demand for new packaging formats in terms of sizes, materials, and strengths. Till 2021, the soft drinks and food products industries will be the highest packaging market share gainers (by units) with share growths of 3.4% and 1.3%, respectively. The growing organised retail sector has been a significant driver of the growth of the food and beverage industries, which in turn drives the growth of Indian packaging industry.

(Source: PIAI, businesswire)

### Outlook

As the requirement for packaging is rising across sectors and with traditional businesses preferring to package products, the sector is expected to continue growing at a robust pace, presenting potential growth opportunities for new entrepreneurs, and small and medium enterprises.

The packaging sector is witnessing double-digit growth and it will only grow further as packaging is essential for all sectors right from processed foods and food grains to fertilisers and pharmaceuticals. Even traditional sectors that were hitherto not focusing much on packaging are now spending

a lot on packaging, thus increasing the market for the sector. The sector is expected to reach USD 32 billion by 2020 with ~60% of the plastic and polymers produced in the country being consumed by the packaging sector as raw material, thus pointing to the huge size of the market. Demand is expected to grow at a CAGR of 8.9% to reach 9.7 million tonnes in FY19 due to factors such as increased urbanisation, requirement of better quality packaging for FMCG products marketed by organised retail chains and an increasing preference for ready-to-eat foods. Even by modest estimates, the packaging sector will grow by at least 20% over the next few years. The industry is driven by key factors like rising population, increase in income levels and changing lifestyles. Demand from rural sector for packaged products is being fueled by increasing media penetration through the means of internet and television. Organised retail and boom in e-commerce will fuel growth of plastic packaging and per capita consumption to be doubled in five years. The per capita packaging consumption in India is quite low at 8.7 kilograms compared with countries like Germany and Taiwan where it is 42 kilograms and 19 kilograms, respectively.

(Source: Indian Express, Indian Institute of Packaging, Economic Times, FICCI, TSMG)

## Indian packaging sector sub-divisions

By function	By methods	By contents	By materials
<b>Heavy packaging (Large)</b> <ul style="list-style-type: none"> <li>Containers</li> <li>Wooden packs</li> </ul> <hr/> <b>Medium packaging (Middle)</b> <ul style="list-style-type: none"> <li>Carton boxes</li> <li>Woven bags</li> <li>Cans, barrels and tubs</li> </ul> <hr/> <b>Light packaging (Small)</b> <ul style="list-style-type: none"> <li>Flexible packaging</li> <li>Bottles and cans</li> <li>Paper containers</li> </ul>	<ul style="list-style-type: none"> <li>Vacuum</li> <li>Aseptic</li> <li>Retortable</li> <li>Shrink</li> <li>Strip</li> <li>Gas flush</li> <li>Moisture-proof</li> <li>Blister packaging</li> <li>Skin packaging</li> <li>Others</li> </ul>	<ul style="list-style-type: none"> <li>Food</li> <li>Cosmetics</li> <li>Powders</li> <li>Toiletry</li> <li>Drugs</li> <li>Liquids</li> <li>Clothing</li> <li>Others</li> </ul>	<b>Rigid packaging</b> <ul style="list-style-type: none"> <li>Bottles and metal cans</li> <li>Wooden boxes</li> <li>Metal boxes</li> </ul> <hr/> <b>Semi-rigid packaging</b> <ul style="list-style-type: none"> <li>Carton boxes</li> <li>Plastic bottles</li> </ul> <hr/> <b>Flexible packaging</b> <ul style="list-style-type: none"> <li>Paper, plastic</li> <li>Film, aluminum foil</li> <li>Cellophane</li> </ul>

## Indian caps and closures market overview

The Indian caps and closures market is steadily growing propelled by factors such as rise in disposable incomes in the nation have led to an increased spending on fast-moving consumer goods. There is also an increased adoption of westernised styles of living due to which the demand for fast food and packaged beverages has also witnessed a strong growth. This is leading to an increased demand for innovative rigid packaging solutions causing a rise in demand for caps and closures. There has also been an improvement in the manufacturing industry which has resulted in the growth of the caps and closures market due to high demand for packaged products that require metal caps and closures. Besides plastic, metal caps and closures are also witnessing an increased demand as usage of metal eliminates random oxidation, leakage, tainting and change in flavour of the product.

(Source: Mordor Intelligence)

### Advantages of using aluminum as a packaging material

- **Inert:** Aluminum is non-reactive and does not affect the taste or aroma of products stored in it
- **Lightweight:** With a density of 2.70 grams per cubic centimetre, aluminum products are easy-to-transport
- **Impermeable:** The metal is renowned for being non-corrosive and it helps prevent rusting and keeps out air, light, liquids and microorganisms
- **Conductivity:** The metal is also an excellent conductor which makes it ideal for use as containers or seals
- **Flexible:** Aluminum can be rolled into extremely thin foils, cast and joined and still retain much of its strength
- **Recyclable:** Aluminum is 100%-recyclable and uses only 5% of the energy used to make the original product
- **Processable:** A low melting point means aluminum requires much less energy to be processed and recycled

## Indian agro-commodity trading

India is one of the world's largest producers of food grains and second largest producer of vegetables and rice; hence it is one of the world's agricultural power-houses. Sustained growth in global agricultural trade and a steady rise in the global economic growth are presenting numerous trading opportunities in the India's agro sector.

Commodity trading in agricultural commodities is aimed at stabilising the overall prices of commodities. It is also helpful in discovering future prices of commodities depending on current trends. Agricultural commodities contribute nearly 12% to the total commodity trading market in India. At present, there are four commodity trading stock exchanges in the country – the MCX, NCDEX, NMCE and Indian Commodity Exchange. Among these, NCDEX and NMCE are

focused on agricultural commodities. As on end December 2017, there were 29 agricultural commodities that are allowed by the SEBI to be traded at various commodity stock exchanges.

### Cashew

Cashew is the third-largest consumed tree nuts in the world. The commercial production of cashew seed is done in more than 32 countries of the world. In 2015, the total world production volume of cashew reached its highest

of 5.1 million tonnes and the world's cashew consumption is also rising steadily. India and Vietnam are the two largest single growers of cashew nuts, and the main suppliers of the world and European market. India processes around 1.59 million tonnes of cashew nuts every year though it produces only around half of the quantity that it processes. India contributes to over half of the world cashew exports.

(Source: CRN India, Ministry of Foreign Affairs)

### Timber

Log imports in India have doubled since 2006 to meet the nation's growing appetite for wood products and the nation is likely to remain primarily a log import market with demand for softwood tripling imports by 2021. Though India is one of the world's top producers of tropical logs, it is also one of the world's biggest consumers of wood products and it cannot meet its own demand with domestic supply. India is expected to become the world's second largest wood fibre import market after China.

India is a major producer of wood-based products, including pulp, paper, plywood, furniture, wooden handicrafts, and veneers. Its major exporting hubs are the EU, US and the Middle East.

In an attempt to incorporate the principles of conservation and sustainable forest management, India had introduced new policies, acts and programs to regulate forest conversion and degradation since the early eighties. These policies, acts, and programs included the Forest Conservation Act of 1980, the National Forest Policy of 1988 and the Hon. Supreme Court Order of 1996. These regulations affected the timber supply from government forest areas and created a huge gap in demand and supply. Currently, this deficit is met through imports and trees outside forests (TOFs).

Timber production from government forest areas is abysmally low (3.35% of total demand) compared to potential timber production from TOFs, which fulfill 45% of the total timber demand in India. Over the past two decades, countries that export timber to India have also undergone policy changes

with respect to timber extraction. The Asian countries of Myanmar, Malaysia, Indonesia, and Thailand have enforced a log export ban and Sustainable Forest Management Certification Practices to control illegal logging and environmental degradation, and Indonesia has also signed a Voluntary Partnership Agreement on Forest Law Enforcement Governance and Trade to prevent the trading of illegal timber products.

### Indian maritime sector overview

The maritime sector is closely linked to a nation's economic activity and this industry acts as a primary means of international transport of any essential commodity. India has two distinct advantages when it comes to its marine sector. It is the 16th largest maritime country in the world with a coastline spanning 7,517 kilometres and its proximity to major shipping highways. Increased investments together with the 'Make in India' impetus can increase the sector's contribution to GDP and trade volumes.

The government has launched a number of major initiatives such as the Sagarmala project, ports modernisation and Inland Waterways & Coastal Shipping development. The increasing public-private partnership in response to these initiatives adds to the vibrancy of the sector and is a clear sign of resurged interest in its potential. What this also means is that public and private players are now more eager than ever to play a bigger role. Going by the current scenario of rising investments and initiatives being undertaken by the Central Government, this sector is expected to have a stable growth over the next few years. Projects worth an investment of USD 10 billion have been identified in this sector which will be awarded in the next five years.

(Source: IBEF, Forbes India, Equity Master)

### Financial analysis

The Company expects business conditions will improve during the last two quarters of FY19 fueled by the onset of the festive season and growth prospects brightening in the food and

beverage and the pharmaceutical industries. The Company clocked a decent rate of growth during the past year and hopes to build on it. Total revenues earned by the Company on a standalone basis increased by 22.25% from ₹12,883 lakhs during FY2016-17 compared to ₹15,749 lakhs during FY2017-18. On a standalone basis the Company grossed a net profit of ₹527 lakhs compared to ₹832 lakhs. On a consolidated basis, net profit during FY2016-17 was ₹2,927 lakhs and during FY2017-18 is ₹1,207 lakhs whereas total revenues rose by 21% from ₹15,553 lakhs during FY2016-17 to ₹18,773 lakhs during FY2017-18.

### Human resources

Employee relations continued to remain cordial during the fiscal year. The management pays specific attention to employee needs and takes decisive steps to ensure a comfortable working environment across all its facilities. During the year, the Company did not face any disruptions. New members were recruited wherever deemed necessary. The Company's employee strength as on 31st March 2018 stood at 484.

### Internal controls systems and their adequacy

The internal control framework is designed to ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information and other data. This system is supplemented by internal audit, reviews by the management and documented policies, guidelines and procedures. The Company has a well-defined organisation structure, authority levels, internal rules and guidelines for conducting the business transactions. The Company intends to undertake further measures as necessary in line with its intent to adhere to procedures, guidelines and regulations as applicable in a transparent manner. An external audit firm carries out the internal audit of the Company operations and reports its finding to the Audit Committee. Internal Audit also evaluates the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness through



periodic reporting. Internal Audit is carried out as per risk based internal audit plan which is reviewed by the Audit Committee of the Company. The Committee periodically reviews the findings and suggestions for the improvement and is apprised on the implementation status in respect of the actionable items.

## CSR

Founded in 1972, BKM Industries Limited (erstwhile Manaksia Group) evolved under the able leadership of Mr. Basant Kumar Agrawal and believed ever since in creating sustainable value through responsible business activities for all our stakeholders, thereby enhancing trust and facilitating the sharing of our progressive vision and strategy to build a more cohesive society. We accept that in this dynamic and interconnected world, all businesses need to be empathetic and aware of its economic, social and environmental responsibilities.

At BKM Industries, corporate social responsibility is ingrained into our core

company strategies and functions that not only encompasses our purpose but also emphasises the importance of our culture and investments into our resources. While our focus is primarily on issues that are most relevant to our business, we also believe in our potential and intent to have the greatest impact wherever and however possible. BKM Industries Limited is committed towards creating meaningful impact in four key areas: People, Society, Economy and Environment.

Our people are our greatest strength, and we believe that by honing their skills and enabling them to reach their full potential, we would only grow as a successful organisation. At BKM Industries, we empower our people to innovate and lead. We encourage them to take active interest in the proceedings of the organisation, share their perspectives and bring more creativity to the table. We understand the significance of this mutually benefitting practice and a simplified cultural arrangement, thereby fostering

an unrestricted, trusting, impartial, and all-encompassing convergence through which diverse thoughts, obstacles and ideas are shared and heard.

At BKM Industries, we are committed towards the development of a healthy society through the creation of a sustainable and long-term environment. Thus, we consider the reduction of our carbon footprint and consumption of depleting resources, a major priority, thereby cutting-back on the environmental impact of our products and operations.

Last, but not the least, our sustainable people and environmental practices collectively contribute towards the growth of the national economy through strategic investments and innovations. Our key CSR goals and progress are aligned to our core values of ensuring ethical business practices and responsible corporate governance. And our mission is to constantly evolve as an organisation thereby enhancing value for all our stakeholders and the society as a whole!

# Risk management

<p><b>India dependent business</b></p> <p>The Company operates mostly out of India and its business is dependent on sales revenues generated within the nation. A slowdown of India's economy will likely affect BKM's business.</p>	<p><b>Mitigation</b></p> <p>The Company has steadily increased its presence in foreign geographies. It is on a process of setting up a unit in Bangladesh for its packaging business. It has also expanded its reach to Africa. The Company is looking at more regions in and around India where it could extend its operations. BKM plans to grow its exports in the coming years and have invested in machinery to enhance production.</p>
<p>Notes: There are other countries too in which we have presence through third party</p>	
<p><b>Fluctuation in raw material prices</b></p> <p>BKM's is heavily dependent on aluminum and tin-free steel for its packaging business and any price fluctuations of these metals in the market can have an adverse impact on profits.</p>	<p><b>Mitigation</b></p> <p>The metals used in the production of caps and closures are abundantly available at reasonable costs. Besides, the Company is in a habit of negotiating costs with suppliers with a buffer for any sudden increase in prices. Also minor cost increases can be passed on to the customers without any major impact on product prices. BKM also have efficient operations where metal losses during manufacture are minimised.</p>
<p><b>Risk from competition</b></p> <p>Due to increasing demand of caps and crowns, a lot of small players are entering this business to cater to smaller beverage brands. This could slow down the Company's growth and make a dent on its profits.</p>	<p><b>Mitigation</b></p> <p>The Company has been doing business for decades now and the senior management is extremely competent and has a rich understanding of the market. BKM is also placed such that economies of can be leveraged which is a huge advantage over competition and the GST regime will be beneficial for organised players like BKM in the long run. Besides, the Company's presence in multiple sectors has led to a de-risking of its business.</p>
<p><b>Volatile nature of the industry</b></p> <p>BKM mainly caters to the packaging industry which is extremely dynamic. Old products phase out quickly and newer packaging products are introduced in their place. This could lead to a risk of constantly changing designs and products which the Company would have to adapt to.</p>	<p><b>Mitigation</b></p> <p>The Company works with clients which have a few signature products are always in circulation. BKM has a tradition of working closely with clients, understanding their specific needs and requirements and making custom products for them. BKM is also expanding its reach to pharmaceutical sector customers. All these measures have helped the Company to retain existing customers and also on-board new ones.</p>

# Board's Report

*Dear Shareholders*

Your Directors take pleasure in presenting the Seventh Annual Report together with the Audited Annual Accounts of your Company for the year ended March 31, 2018.

## FINANCIAL RESULTS/SUMMARY

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
<b>Total Revenue</b>	<b>15749</b>	<b>12883</b>	<b>18773</b>	<b>15553</b>
<b>Profit / (Loss) Before Tax (PBT)</b>	<b>657</b>	<b>802</b>	<b>1337</b>	<b>2897</b>
Less: Provisions for Taxation	130	(30)	130	(30)
<b>Profit After Tax (PAT)</b>	<b>527</b>	<b>832</b>	<b>1207</b>	<b>2927</b>
Other total Comprehensive Income	1471	(17)	1471	(17)
<b>Total Comprehensive Income for the period</b>	<b>1998</b>	<b>815</b>	<b>2678</b>	<b>2910</b>

(₹ in Lakhs)

## STATE OF COMPANY'S AFFAIRS AND OPERATIONS

The Company is engaged in the business of metal packaging products, aluminum semi rigid containers, ship building, naval design services and agro-commodities. The Company has achieved a turnover from operations of ₹15,338 lakhs compared to ₹12,292 lakhs in the previous financial year and earned a net profit of ₹527 lakhs compared to a net profit of ₹832 lakhs in the previous financial year.

## CHANGES IN THE NATURE OF BUSINESS, IF ANY

There is no change in the business of the Company during the financial year 2017-18.

## DIVIDEND

In view of the requirement of funds for the expansion of business, your Board consider it prudent not to recommend any dividend on the Equity Shares of the Company for the financial year 2017-18

## ISSUE OF SHARES

The Company has not issued any share during the financial year under review.

## DETAILS PERTAINING TO SHARES IN SUSPENSE ACCOUNT

Disclosure as required under regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"), is given in Corporate Governance Report which forms part of this report.

## DEPOSITS

The Company has not accepted any deposit during the year under review.

## TRANSFER TO RESERVE

During the year under review your Company has not transferred any amount to the General Reserve Account.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the Directors Responsibility Statement as referred to in section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

- In the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis;
- v) The Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information related to conservation of energy, Research & Development, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 are given in the **Annexure – 'A'** as attached hereto forming part of this Report.

## CORPORATE GOVERNANCE

Your Company has practiced sound Corporate Governance and taken necessary actions at appropriate times for enhancing and meeting stakeholders' expectations while continuing to comply with the mandatory provisions of Corporate Governance. Your Company has complied with the requirements of all the applicable Regulations read with Schedule - V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as issued by Securities and Exchange Board of India and as amended from time to time. Your Company has given its deliberations to provide all the information in the Board's Report and the Corporate Governance Report as per the requirements of Companies Act, 2013 and the Listing Regulations entered by the Company with the Stock Exchanges, as a matter of prudence and good governance.

A Report on Corporate Governance along with a certificate from Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary, certifying compliances with the provisions relating to the Corporate Governance as stipulated in the Listing Regulations forms part of this report as **Annexure – 'B'**.

## CODE OF CONDUCT

The Code of Conduct for all the Board Members, Key Managerial Personnel and other Senior Executives of the Company is in force and the same has been placed on the Company's website: [www.bkmindustries.com](http://www.bkmindustries.com). Duties of the Independent Directors have suitably been incorporated in the code. A declaration signed by the Managing Director & CEO to this effect forms part of Corporate Governance Report as annexed to this Report.

## CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 1992, your Company has already adopted the Code of Conduct for prevention of Insider Trading and the same is also placed on the Company's website: [www.bkmindustries.com](http://www.bkmindustries.com). Further, in accordance with the provisions of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information and the code of conduct for prohibition of Insider Trading of the Company as formulated are being adhered.

## PERFORMANCE & FINANCIAL POSITION OF SUBSIDIARY / ASSOCIATES

Highlights of performance of subsidiaries, associates and their contribution to the overall performance of the Company during the period. [Pursuant to Section 134 and Rule 8 of Companies (Accounts) Rules, 2014]

## SUBSIDIARY

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, details containing salient features of the financial statement of subsidiary companies in Form AOC-1 are given in **Annexure-'C'**. The details of performance of the Subsidiary Companies are as follows:

### Euroasian Ventures FZE

The revenue of the Company for the year ended 31st March, 2018 stood at AED 2,46,94,312.82 (equivalent to ₹4375.83 lakhs). During the year ended 31st March, 2018, the Company had earned a net profit of AED 67,12,384.32 [equivalent to ₹1189.43 lakhs (Approx.)].



### Euroasian Steels LLC

Euroasian Steels LLC is the subsidiary of Euroasian Ventures FZE. The Company has not undertaken any business during the financial year under review. Therefore, the revenue of the Company for the year ended 31st March, 2017 stood NIL. During the year ended 31st March, 2018, the Company had incurred a net loss of GEL 7,664.76 [equivalent to ₹2.06 lakhs (Approx.)].

### Jiwanjyoti Vanijya Pvt. Ltd., Wholly-owned Subsidiary Company

The Company has reported total revenue ₹7.20 lakhs during the year as compared to revenue of ₹1.80 lakhs in the previous year. During the year ended 31st March, 2018, the Company had incurred a net loss of ₹25.18 lakhs compared to ₹10.11 lakhs in the previous year.

### Glitter Agencies Pvt. Ltd., Wholly-owned Subsidiary Company

The Company has reported total revenue of ₹7.20 lakhs during the year as compared to revenue of ₹1.80 lakhs in the previous year. During the year ended 31st March, 2018, the Company had incurred a net loss of ₹23.19 lakhs compared to loss of ₹9.23 lakhs in the previous year.

### BK Manaksia Nigeria Ltd., Wholly-owned Subsidiary Company

M/s. BK Manaksia Nigeria Ltd. has not undertaken any business during the financial year under review. However, it has incurred preliminary and pre-operative expenses of 66,19,932.26 Niara as on 31st March, 2018 (equivalent to ₹11.92 lakhs)

### BKM Agrotech Private Limited

The Company has undertaken to subscribe a sum of ₹1 lakh in equity shares of M/s BKM Agrotech Private Limited incorporated on 13th March, 2018, as the wholly owned subsidiary company. However, no money was remitted against the aforesaid subscription till 31st March, 2018.

Except as stated hereinabove, no other Company has become or ceased to be the Company's subsidiary, joint venture or associate company during the year under review.

## PERSONNEL

The particulars and information of the employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 has been set out as **Annexure – 'D'** to this Report.

## COMPANY'S WEBSITE

The website of your Company [www.bkmindustries.com](http://www.bkmindustries.com), has been designed to present the Company's businesses up-

front on the home page. The site carries a comprehensive database of information including the Financial Results of your Company, Shareholding pattern, Director's & Corporate Profile, details of Board Committees, Corporate Policies and business activities of your Company. All the mandatory information and disclosures as per the requirements of the Companies Act, 2013 and Companies Rules 2014 and as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been uploaded to the aforesaid website of the Company.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### i) Director - Retirement by Rotation:

Mr. Navneet Manaksia (DIN 00438612), Director of the Company, pursuant to the provisions of Section 152(6) and other applicable provisions, of the Companies Act, 2013, retires by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

### ii) Appointment/Re-appointment of the Directors :

- a) Mr. Amitabha Guha (DIN 02836707) was appointed as a Non Executive-Independent Director of the Company by the Board w.e.f. January 7, 2017 for a consecutive period of 5 years and his appointment was approved by the Shareholders in the Sixth Annual General Meeting of the Company held on September 18, 2017
- b) Mr. Navneet Manaksia (DIN 00438612) was appointed as the Wholetime Director and also designated as the Wholetime Key Managerial Personnel (KMP) of the Company, by the Board in its meeting held on January 7, 2017 for a period of 3 years with immediate effect as per the recommendation of Nomination & Remuneration Committee of the Company and thereafter has been confirmed by the Shareholders in the Sixth Annual General Meeting of the Company held on September 18, 2017, for a period of three year effective from January 7, 2017 in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and/or any other applicable of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- c) Mr. Aditya B Manaksia (DIN 00614488) was re-appointed as Wholetime Director of the Company by the Board in its meeting held on April 14, 2017 for a period of 3 (Three) years with effect from November 17, 2017 as per the recommendation of Nomination & Remuneration Committee of the Company and his re-appointment from the aforesaid date was approved by the Shareholder in the Sixth Annual

General Meeting of the Company held on September 18, 2017, in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and/ or any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- d) Mr. Basant Kumar Agrawal (DIN 00520558) was re-appointed as Chairman cum Managing Director of the Company by the Board in its meeting held on April 14, 2017 for a period of 3 (Three) years with effect from November 23, 2017 as per the recommendation of Nomination & Remuneration Committee of the Company and his re-appointment from the aforesaid date was approved by the Shareholder in the Sixth Annual General Meeting of the Company held on September 18, 2017, in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and/or any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### iii) Resignation of Directors:

During the year under review, no Director of the Company has resigned from the office of Directors.

### iv) Appointment of Wholetime- Key Managerial Personnel (KMP):

- a) Mr. Sandeep Kumar Sultania was appointed as the Chief Financial Officer (designated as the Wholetime Key Managerial Personnel) of the Company by the Board in its meeting held on February 12, 2018 with immediate effect, as recommended by the Nomination & Remuneration Committee of the Company, pursuant to the provisions of Section 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- b) Ms. Surbhi Shah was appointed as the Company Secretary (designated as the Wholetime Key Managerial Personnel) & Compliance Officer of the Company by the Board in its meeting held on February 12, 2018 with immediate effect, as recommended by the Nomination & Remuneration Committee of the Company, pursuant to the provisions of Section 203 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

### v) Resignation of Wholetime- Key Managerial Personnel (KMP):

- a) Mr. Navneet Manaksia has resigned from the office of Chief Financial Officer of the Company with effect from February 12, 2018.
- b) Mr. Sandeep Kumar Sultania has vacated the office of Company Secretary and Compliance Officer with effect from February 12, 2018.

None of the Directors of the Company are disqualified as per section 164(2) of the Companies Act, 2013. The Directors have also made necessary disclosures to the extent as required under provisions of section 184(1) as applicable. In accordance with Section 149(7) of the Act, each Independent Director has given a written declaration to the Company confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, provisions of Corporate Social Responsibility (CSR) became applicable to the Company pursuant to section 135 of the Companies Act, 2013 and the Rules made thereunder. Accordingly the Board has constituted the CSR Committee and approved the CSR policy. Other details of the Committee is mentioned in the Corporate Governance Report forming part of this Board's Report and Annual Report on CSR is attached as **Annexure 'E'** to this Report.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this report.

## INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. IND AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. Thus IND AS is applicable to your Company w.e.f. 1st April, 2017 and the Accounts have been prepared accordingly.

## AUDITORS AND THEIR REPORTS

### (i) Statutory Auditor:

The Statutory Auditor M/s. SRB & Associates., Chartered Accountants, holds office upto the conclusion of the Annual General Meeting (AGM) to be held for the financial year 2018-19. With the amendment of Section 139 of the Companies Act, 2013 and Rule 3(7) of The Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 effective from 7th May, 2018, the appointment of Statutory Auditors would not be subject to ratification in the Annual General Meeting during their continuation in the office of the Auditors' of the Company. Accordingly, requisite modification has been proposed for consideration of the shareholders in the ensuing Annual General Meeting.

The Notes to Accounts, as referred in the Auditors Report are self-explanatory and hence does not call for any further explanation.

### (ii) Internal Auditor:

The Board had appointed M/s S K Agrawal & Co., Chartered Accountants, as Internal Auditors of the Company for the F.Y. 2017-18 as per the provisions of Section 138 of the Companies Act read with Rule 13 of the Companies (Accounts) Rules, 2014. The Internal Auditors have submitted the reports as per their scope of work on quarterly basis to the Audit Committee and Board of Directors of the Company.

### (iii) Secretarial Auditor:

The Board had appointed Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary, as the Secretarial Auditors of the Company to carry out the Secretarial Audit for the year 2017-18 under the provisions of Section 204 of the Companies Act, 2013. The report of the Secretarial Auditor in MR 3 is enclosed as **Annexure - 'F'** to this Board's Report. The company has initiated strict and timely compliance with the other applicable laws to the company as reported by the Secretarial Auditor. The rest of the report is self-explanatory and hence do not call for any further explanation.

## LISTING OF SECURITIES IN STOCK EXCHANGES

The shares of the Company are presently listed at The National Stock Exchange of India Limited and BSE Limited. The Company is registered with both NSDL & CDSL for holding the shares in dematerialized form and open for trading. The Company has paid Listing Fees to the Stock Exchanges and the depositories.

## DISCLOSURES AS PER APPLICABLE ACT AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

### i) Related Party Transactions:

All contracts/arrangements/transactions entered by the Company with related parties for the year under review were on arm's length basis and in the ordinary course of business and were reviewed by the Audit Committee, and that the provisions of Section 188(1) read with the Companies (Meetings of Board and its Powers) Rules, 2014 are not attracted. Further there are no materially significant related party transactions during the year under review made by the Company which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required.

All Related Party transactions are placed before the Audit Committee for approval.

During the year under review, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Company's policy of Materiality of Related Party Transactions. The necessary disclosures regarding the transactions is given in the notes to accounts.

The policy on Related Party Transactions as approved by the Board of Directors of the Company may be accessed on the Company's website at [www.bkmindustries.com](http://www.bkmindustries.com) and the web link thereto <http://bkmindustries.com/investor-relation/BKM-industries-limited/corporate-policies>

### ii) Number of Board Meetings:

The Board of Directors met 10(Ten) times in the year 2017-18. The details of the Board meeting and attendance of the Directors are provided in the Corporate Governance Report, attached as Annexure to this Board's Report.

### iii) Composition of Audit Committee:

The Board has re-constituted the Audit Committee in its meeting held on March 29, 2018 and has appointed Mr. Navneet Manaksia as the member of the Committee with immediate effect and Mr. Basant Kumar Agrawal ceased to be member with effect from March 29, 2018. The complete details of the Committee are given in the Corporate Governance Report, attached as Annexure to this Board's Report.

### iv) Extracts of Annual Return:

The details forming part of the extract of the Annual Return in MGT-9 as provided under section 92(3) of the

Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure - 'G'**.

**v) Risk Analysis:**

The Board has developed and implemented a risk management policy identifying therein the elements of risk that may threaten the existence of the Company. The Company has a mechanism that helps the Board to keep an overall watch on the business risks and informs the Board members about the evaluation, and estimation of the levels of risks involved in a situation, their comparison against benchmarks or standards, and determination of an acceptable level of risk and mitigation plans and periodical reviews are undertaken to ensure that the critical risks are controlled by the executive management.

**vi) Internal Financial Control :**

The Company has in place adequate internal financial control as required under section 134(5)(e) of the Act and the same was evaluated by the Audit Committee. During the year such controls were tested with reference to financial statements and no reportable material weakness in the formulation or operations were observed. The statutory auditors of the Company conducted audit on the Company's internal financial control over financial reporting and the report of the same is provided is annexed with Auditor's Report.

**vii) Loans, Guarantees and Investments:**

The Company has not given any loan or provided any guarantee. However, it has made investments of ₹81.65 lakhs in M/s BK Manaksia Nigeria Limited, wholly owned subsidiary of the Company and it has also incorporated wholly owned subsidiary Company viz. M/s. BKM Agrotech Private Limited by undertaking to subscribe to its entire paid-up share capital of ₹1,00,000/-

**viii) Post Balance Sheet events:**

There is no material change or commitment affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relates and the date of the report.

**ix) Evaluation of the Board's Performance:**

During the year under review, the Board, in compliance with the Companies Act, 2013 and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has in place a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the

Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board as a whole and the Chairman, who were evaluated on parameters such as their participation, contribution at the meetings and otherwise, independent judgments, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors in their separate meeting.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**x) Nomination, Remuneration and Evaluation Policy:**

The Company on recommendation of its Nomination & Remuneration Committee has laid down a Nomination, Remuneration and Evaluation Policy, in compliance with the provisions of the Companies Act, 2013 read with the Rules made therein and the Listing Regulations (as amended from time to time). This Policy is formulated to provide a framework and set standards. The salient features of the policy are as follows :

- Criteria for appointment and removal of Directors, Key Managerial Personnel (KMP), Senior Management Executives of the Company.
- Remuneration payable to the Directors, KMPs and Senior Management Executives.
- Evaluation of the performance of the Directors.
- Criteria for determining qualifications, positive attributes and independence of a Director.

The detailed policy is attached as **Annexure 'H'** to this Board's Report.

**xi) Vigil Mechanism (Whistle Blower Policy):**

As per the requirements of the Companies Act, 2013 and Listing Agreement / applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had established a mechanism for employees to report concerns for unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics. It also provides for adequate safeguards against the victimization of employees who avail the said mechanism. This policy also allows the direct access to the Chairperson of the



Audit Committee. The Audit Committee is committed to ensure the flawless work environment by providing a platform to report any suspected or confirmed incident of fraud/ misconduct.

Details of establishment of the Vigil Mechanism have been uploaded on the Company's website: [www.bkmindustries.com](http://www.bkmindustries.com) and also set out in the Corporate Governance Report attached as Annexure to this Board's Report.

**xii) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral. During the year under review, no complaints with allegations of sexual harassment were filed.

**xiii) Fraud Reporting:**

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

## INDUSTRIAL RELATIONS

The industrial relation during the year 2017-18 had been cordial. The Directors take on record the dedicated services and significant efforts made by the Officers, Staff and Workers towards the progress of the Company.

## SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There have been no significant & material orders passed by regulators / courts / tribunals impacting going concern status and Company's operations in future.

## APPRECIATION

Your Directors take this opportunity to place on record their gratitude to the Central and State Governments, Bankers and Investors for their continuous support, cooperation and their valuable guidance to the Company and for their trust reposed in the Company's management. The Directors also commend the continuing commitment and dedication of the employees at all levels and the Directors look forward to their continued support in future.

For and on behalf of the Board of Directors  
**BKM Industries Limited**  
(Formerly Manaksia Industries Limited)

**Basant Kumar Agrawal**  
*Chairman cum Mg. Director*  
DIN: 00520558

**Navneet Manaksia**  
*Whole-time Director*  
DIN: 00438612

Place : Kolkata  
Date : 28.05.2018

## ANNEXURE 'A'

(Particulars pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 and rule 8(3) of the Companies (Accounts) Rules, 2014)

### A) Conservation of Energy -

(i) Steps taken or impact on conservation of energy

- Using Energy Star equipment
- Became a paperless business
- Unplug computers over the weekend
- Good insulation
- Proper Use of Compressors

(ii) Steps taken by the Company for utilizing alternate sources of energy

- Embrace natural lighting
- Installed Gasifier

(iii) Capital investment on energy conservation equipment

₹ 24,60,150

### B) Technology Absorption -

(i) Efforts made towards technology absorption:

- Development of New Products.
- Increasing Level Automation in the Production Side.
- Method Improvements in Manufacturing Process.
- Improvement in safety and reliability of the Plant.
- Upgrading Pollution Control Equipment for Air/Water.

(ii) Benefits derived as a result of such efforts:

- Improvement in productivity.
- Cost Reduction.
- Improvement in Profit.
- Energy Conservation.
- Better quality products.

(iii) No fresh technology has been imported during the year

(iv) The expenditure incurred on Research and Development: Nil

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows is as follow –

	2017-18 (₹ in Lakhs)	2016-17 (₹ in Lakhs)
Total Foreign Exchange Used and Earned:		
Earned	795.00	239.00
Outgo	1988.00	2404.00

For and on behalf of the Board of Directors  
**BKM Industries Limited**  
 (Formerly Manaksia Industries Limited)

**Basant Kumar Agrawal**  
 Chairman cum Mg. Director  
 DIN: 00520558

**Navneet Manaksia**  
 Whole-time Director  
 DIN: 00438612

Place :Kolkata  
 Date : 28.05.2018

## ANNEXURE 'B'

### CORPORATE GOVERNANCE

In accordance with the Schedule V and Listing Agreements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein referred as the 'Listing Regulations') with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) the report containing the details of Corporate Governance systems and processes at BKM Industries Limited (Formerly Manaksia Industries Limited) are as follows:

#### (1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company in accordance with the Listing Agreement entered with the Stock Exchanges under the Listing Regulations has adopted practice of Corporate Governance for ensuring and protecting the rights of its stakeholders by means of transparency, integrity, accountability and checks at the different levels of the management of the Company. The Company not only adheres to the prescribed corporate governance practices as per Listing Regulations but has also undertaken several initiatives towards maintenance of the highest standards of Governance.

#### (2) BOARD OF DIRECTORS :

##### a) The composition and category of Directors :

Sl. No.	Name of the Directors	Category
1	Mr. Basant Kumar Agrawal	Executive Chairman - Managing Director – Promoter (CEO)
2	Mr. Aditya B Manaksia	Executive – Whole-time Director - Promoter
3	Mr. Navneet Manaksia	Executive – Whole-time Director - Promoter
4	Mr. Amitabha Guha	Non-Executive - Independent Director
5	Dr. Kali Kumar Chaudhuri	Non-Executive - Independent Director
6	Mrs. Smita Khaitan	Non-Executive - Woman Independent Director

The Board comprises of Executive and Non-Executive Directors including Independent Directors in conformity with the requirements of the Companies Act, 2013 & Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The appointment of all the Independent Directors after the Commencement of the Companies Act, 2013, has been made for a term of five consecutive years from their respective date of appointment and they shall not be liable to retire by rotation in terms of the provisions of the Act.

Independent Directors (IDs) of the Company, are not promoter or related to promoters of the Company or its holding, subsidiary or associate Company and have the requisite qualifications and experience which they would continue to contribute for the benefit to the Company. They do not have any pecuniary relationship/transaction or holds position of KMP or have voting power, etc. and meets all other criteria of being Independent as provided in the Companies Act, 2013 (hereinafter referred to as 'Act') and the Listing Regulations. The appointment letters issued to the Independent Directors, inter alia contains their roles, responsibilities, fiduciary duties in the Company and the expectation of the Board from them along with other terms of their appointment.

They have taken active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors/Committees.

The Company in accordance with applicable clauses of Listing Regulations, familiarizes new Independent Directors (IDs) about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programs posted on the website of the Company at [www.bkmindustries.com](http://www.bkmindustries.com) and keep updating the same.

The Board has carried out performance evaluation of Independent Directors and recommended to continue the terms of their appointment.

**b) Number of Board meetings held and dates on which held**

During the financial year 2017-18, 10 (Ten) Board meetings were held on 14th April, 2017, 19th May, 2017, 16th August, 2017, 9th September, 2017, 19th September, 2017, 14th November, 2017, 13th December, 2017, 20th January, 2018, 12th February, 2018 and 29th March, 2018. The gap between any two consecutive meetings did not exceed one hundred and twenty days in terms of the Listing Regulations, Secretarial Standards and the Companies Act, 2013.

**c) Attendance of each Director at the Board meetings and the Last Annual general meeting (AGM) and also number of other Directorships/Membership of Committee of each Director in various Companies:**

Name of the Directors	Attendance Particulars		No. of other Directorship and committee memberships/ chairmanships held *		
	Board Meetings	Last AGM	Other Directorship**	Committee Membership	Committee Chairmanships
Mr. Basant Kumar Agrawal	8	Yes	2	NIL	NIL
Mr. Aditya B Manaksia	10	Yes	2	NIL	NIL
Mr. Navneet Manaksia	10	Yes	2	NIL	NIL
Mr. Amitabha Guha	6	Yes	4	5	NIL
Dr. Kali Kumar Chaudhuri	7	Yes	6	8	3
Mrs. Smita Khaitan	10	Yes	5	6	2

\*Membership & Chairmanship of the Audit Committee & Stakeholders Relationship Committees are only considered.

\*\*excluding Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013

**Separate Meeting of the Independent Directors:**

As stipulated by the Schedule IV, Code of Independent Directors under the Companies Act, 2013 and Listing Regulations, the Company has facilitated holding of a separate meeting of the Independent Directors, which was held on 13th December, 2017 and was attended by all the Independent Directors. In the said meeting Independent Directors had, inter alia, reviewed the following: -

- the performance of non-independent Directors and the Board as a whole ;
- the performance of the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors ; and
- assessed the quality, quantum and timeliness of flow of information between the Company's management and the Board and its Committees that is necessary for the Board to effectively and reasonably perform their duties.

**d) Disclosure of relationship between the Directors inter se:**

The disclosure of relationships between Directors inter se is as follows:

Name of Directors	Name of Other Director	Name of Relationship
Mr. Basant Kumar Agrawal	Mr. Aditya B Manaksia	Son
	Mr. Navneet Manaksia	Son
Mr. Aditya B Manaksia	Mr. Basant Kumar Agrawal	Father
	Mr. Navneet Manaksia	Brother
Mr. Navneet Manaksia	Mr. Basant Kumar Agrawal	Father
	Mr. Aditya B Manaksia	Brother

Note: No other Directors in the Board are related to each other.

**e) Shares and Convertible Instruments held by Non-Executive Directors**

Sl. No.	Name of the Directors	No. of Shares
1	Mrs. Smita Khaitan	Nil
2	Dr. Kali Kumar Chaudhuri	Nil
3	Mr. Amitabha Guha	Nil



#### **f) Familiarisation Programme imparted to Independent Directors**

An ongoing familiarization with respect to the business/ working of the Company for all Directors is a major contributor for meaningful Board level deliberations and sound business decisions.

By way of the familiarization programme undertaken by the Company, the Directors are shared with the nature of the industry in which the Company is presently functioning, the functioning of various business units, the Company's market share and other relevant information pertaining to the Company's business.

As required under Regulation 25 of the Listing Regulations, the Company held various familiarization programmes for the Independent Directors throughout the year on regular basis with a view to familiarising the independent directors with the Company's operations. The familiarization programmes carried out during the year include:-

1. Presentations made by business and functional heads of the Company from time to time on different functions and areas.
2. Presentations made and deliberations held from time to time on major changes and developments in the Act and SEBI LODR Regulations.

The familiarisation programme of the Company for its Independent Directors has been disclosed on the Company's website: [www.bkmindustries.com](http://www.bkmindustries.com)

### **(3) COMMITTEES OF THE BOARD:**

The Committees of the Board functions according to their respective charter i.e. terms of reference framed by the Board that defines composition, scope, powers and roles of the Committees in accordance with the requirements of the Companies Act, 2013 and the Rules made thereunder together with the Listing Regulations. The Board has the following 4 (four) Committees during the year 2017-18:

#### **I. AUDIT COMMITTEE :**

The Audit Committee was constituted on 8th November, 2014 in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations and was last re-constituted on 29th March, 2018. The Audit Committee is entrusted with review of quarterly and annual financial statements before submission to the Board, management discussion and analysis of financial condition and results of operations, review of observations of auditors, ensure compliance of internal control systems etc. The detailed terms of reference of the Audit Committee are as follows:

##### **a. The terms of reference of the Audit Committee:**

- 1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer

document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where here is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the Whistle Blower mechanism;
- 19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### **Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial information and results of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee is empowered to investigate any activities within its terms of reference, seek information from employees, obtain outside legal or other professional advice or secure attendance of outside experts of relevant field as and when necessitated. The Audit Committee also reviews such other matters as referred to it by the Board from time to time.

#### **b. Composition of the Audit Committee, its Meeting and Attendance:**

The Audit Committee comprises of three Non-executive Independent Directors and one Executive Director. All the members of the Audit Committee possess the requisite qualification for appointment on the Committee and have sound knowledge of finance, accounting practices and internal controls.

During the year ended on 31st March, 2018, 5 (Five) meetings of the Audit Committee were held on 14th April, 2017, 19th May, 2017, 9th September, 2017, 13th December, 2017 and 12th February, 2018. The Audit Committee was also called on 16th August, 2017 but due to the requirement of quorum it was adjourned to 23rd August, 2017 and then stood cancelled due to insufficient quorum.

The Members of Audit Committee as on 31st March, 2018 and attendance details of each member at the Audit Committee meetings held during the Year 2017-18 are given below:

Name of Directors	Category	Position in the Committee	Number of meeting attended
Dr. Kali Kumar Chaudhuri	Non-Executive- Independent Director	Chairperson	5
Mr. Amitabha Guha	Non-Executive - Independent Director	Member	4
Mr. Basant Kumar Agrawal*	Executive Chairman - Managing Director - Promoter	Member	4
Mr. Navneet Manaksia **	Executive-Whole time Director	Member	N.A
Mrs. Smita Khaitan	Non-Executive- Independent Director	Member	5

\* Mr. Basant Kumar Agrawal ceased to be member of Audit Committee w.e.f 29.03.2018.

\*\* Mr. Navneet Manaksia appointed as member of Audit Committee w.e.f 29.03.2018.

The Company Secretary of the Company, acts as the Secretary to the Audit Committee.

The Audit Committee Meetings are usually attended by members of the Committee and the Chief Financial Officer of the Company. Representative of the Statutory Auditors and Internal Auditors are also invited in the meeting as and when required.

## II. NOMINATION & REMUNERATION COMMITTEE :

The Nomination & Remuneration Committee was constituted on 8th November, 2014 and was last re-constituted on 7th January, 2017. The detailed terms of reference of the Committee are as follows:

### a. The terms of reference of the Nomination & Remuneration Committee:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. To formulate the criteria for evaluation of Independent Directors and the Board;
3. To devise a policy on Board diversity;
4. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. To assess whether to extend or continue the terms of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Director.
6. To carry out such other functions as may from time to time, as may be authorized by the Board and/or required by any Statutory Authority, by the way of amendment and/or otherwise, as the case may be, to be attended by this Committee.

### b. Composition of the Nomination & Remuneration Committee, its Meeting and Attendance:

The Nomination & Remuneration Committee comprises of three Non-executive Independent Directors.

During the year ended on 31st March, 2018, 2 (Two) meeting of the Nomination & Remuneration Committee was held on 14th April, 2017 and 12th February, 2018.

The Members of Nomination & Remuneration Committee as on 31st March, 2018 and attendance details of each member at the Nomination & Remuneration Committee meetings held during the Year 2017-18 are given below:

Name of Directors	Category	Position in the Committee	No. of Meeting attended
Dr. Kali Kumar Chaudhuri	Non-Executive - Independent Director	Chairperson	2
Mr. Amitabha Guha	Non-Executive - Independent Director	Member	2
Mrs. Smita Khaitan	Non-Executive - Independent Director	Member	2

The Company Secretary of the Company, acts as the Secretary to the Nomination & Remuneration Committee.

**c. Performance evaluation criteria for Independent Directors :**

The following criteria may assist in determining how effective the performances of the Independent Directors have been:

- ▶ Leadership & Managerial abilities.
- ▶ Contribution to the corporate objectives & plans.
- ▶ Communication of expectations & concerns clearly with subordinates.
- ▶ Obtaining adequate, relevant & timely information from external sources.
- ▶ Review & approval of strategic & operational plans of the Company, its objectives and budgets.
- ▶ Regular monitoring of corporate results against projection.
- ▶ Identification, monitoring & mitigation of significant corporate risks.
- ▶ Assessment of policies, structures & procedures followed in the Company and their significant contribution to the same.
- ▶ Direct, monitor & evaluate KMPs, senior officials.
- ▶ Regularity in attending meetings of the Company and inputs therein.
- ▶ Review & Maintenance of corporation's ethical conduct.
- ▶ Ability to work effectively with rest of the Board of Directors.
- ▶ Commitment to the promotion of equal opportunities, health and safety in the workplace.

**d. Remuneration to Directors:**

Presently, the Non Executive Directors do not receive any remuneration from the Company. Only the sitting fees for attending the meetings of the Board and its Committees are paid to the Non-executive Directors and the same is within the limits prescribed under the Companies Act, 2013.

The Company has not entered into any other pecuniary relationship or transactions with the Non-Executive Directors

**Details of remuneration paid to the Directors in the financial year 2017-18**

The Statement of the remuneration paid/ payable to the Managing / Whole time Directors/ Executive Directors and Sitting fees paid /payable to the Non-Executive Directors is given below :

Name of the Directors	Remuneration paid/payable for the year 2017-18			Service Contract	
	Salary (₹) Basic (Year)	Benefits (₹) (Year)	Sitting Fees# (₹)	Period	Effective from
Mr. Basant Kumar Agrawal	84,00,000	Rent free Accommodation ₹7,20,000	Nil	3 Years	23.11.2017
Mr. Aditya B Manaksia	54,00,000	Rent free Accommodation ₹7,20,000	Nil	3 Years	17.11.2017
Mr. Navneet Manaksia	54,00,000	-	Nil	3 Years	07.01.2017
Mrs. Smita Khaitan	-	-	99,000	5 Years	17.11.2014
Dr. Kali Kumar Chaudhuri	-	-	74,000	5 Years	17.11.2014
Mr. Amitabha Guha	-	-	74,000	5 Years	07.01.2017

The Notice period for the executive Directors is 3 months and no severance fees is applicable for them.

**III. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee was constituted on 8th November, 2014. The detailed terms of reference of the Committee are as follows:

**a. Term of Reference of Stakeholders Relationship Committee:**

1. To redress shareholder and investor complaints like transfer of shares, allotment of shares, non-receipts of the refund orders, right entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends, interests etc;
2. To refer to statutory and regulatory authorities regarding investor grievances;



3. To ensure proper and timely attendance and redressal of investor queries and grievances;
4. To oversee the performance of Registrar and Transfer Agent;
5. To approve the request for transfer, transmission, etc. of shares
6. To approve the dematerialization of shares and rematerialisation of shares, splitting and consolidation of Equity Shares and other securities issued by our Company.
7. To review of cases for refusal of transfer / transmission of shares and/or any other securities as may be issued by the Company from time to time, if any;
8. To review from time to time overall working of the secretarial department of our Company.
9. To look after the matters relating to the shares of our Company and functioning of the share transfer agent and other related matters.
10. To consider and approve issue of duplicate / split / consolidated share certificates;
11. To issue of duplicate certificates and new certificates on split/consolidation/renewal etc.;
12. such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended by the committee.

**b. Composition of the Stakeholders Relationship Committee, its Meeting and Attendance:**

The stakeholders Relationship Committee is comprised of One Non-executive Independent Director and Two Executive Directors.

During the year ended on 31st March, 2018, 4 (Four) meeting of the Stakeholders Relationship Committee was held on 14th April, 2017, 9th September, 2017, 13th December, 2017 and 12th February, 2018.

The Members of Stakeholders Relationship Committee as on 31st March, 2018 and attendance details of each member at the Stakeholders Relationship Committee meetings held during the Year 2017-18 are given below

Name of Directors	Category	Position in the Committee	No. of Meeting attended
Mrs. Smita Khaitan	Non-Executive Independent Director	Chairman	4
Mr. Aditya B Manaksia	Executive Director – Whole-time Director	Member	4
Mr. Basant Kumar Agrawal	Executive Chairman	Member	3

The Company Secretary of the Company, acts as the Secretary to the Stakeholders Relationship Committee.

**c. Compliance Officer:**

Ms. Surbhi Shah, Company Secretary of the Company has been designated as Compliance Officer for complying with the requirements of Securities Laws and Listing Regulations.

**d. Shareholders' Complaints:**

The numbers of shareholders'/ investors' complaints received, resolved/ replied and pending during the year under review are as under

Nature of complaints	Received	Resolved/ Replied	Pending
Non-receipt of share certificates	Nil	Nil	Nil
Non-receipt of dividend	2	2	Nil
Non-receipt of annual reports	Nil	Nil	Nil
Others	Nil	Nil	Nil
<b>Total</b>	<b>2</b>	<b>2</b>	<b>Nil</b>

**Securities and Exchange Board of India ('SEBI') Complaints Redress System ("SCORES") :**

As per the SEBI directive, the investors desirous of making complaints pertaining to the listed Companies will be done electronically and sent through SCORES and the Companies or their appointed Registrar & Share Transfer Agent (R&TA/ STA) are required to view the pending complaints and submit 'Action Taken Report' (ATRs) along with necessary documents electronically in SCORES. Further, there is no need to file any physical ATRs with SEBI. The Company is already registered under SCORES to efficiently and effectively redress the investors/shareholders complaints on time.

#### IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility (CSR) Committee was constituted on 9th September, 2017. The detailed terms of reference of CSR Committee are as follows:

##### a. Term of Reference of Corporate Social Responsibility Committee:

1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy related to the CSR activities to be undertaken by the Company as provided in the Schedule VII and any other related provisions, if any, of the Companies Act, 2013 and the rules made there under.
2. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
3. To monitor the implementation of the framed CSR Policy.
4. To recommend the amount of expenditure to be incurred on the CSR activities as per the requirement of the Companies Act, 2013 and the rules made there under.
5. To carry out such other functions as may from time to time, as may be authorized by the Board and/or required by any Statutory Authority, by the way of amendment and/or otherwise, as the case may be, to be attended by this Committee.

##### b. Composition of the CSR Committee, its Meeting and Attendance:

The CSR Committee is comprised of One Non-executive Independent Director and Three Executive Directors.

During the year ended on 31st March, 2018, 1 (One) meeting of the CSR Committee was held on 12th February, 2018.

The Members of CSR Committee as on 31st March, 2018 and attendance details of each member at the CSR Committee meetings held during the Year 2017-18 are given below

Name of Directors	Category	Position in the Committee	No. of Meeting attended
Mr. Basant Kumar Agrawal	Executive – Managing Director	Chairperson	Nil
Mr. Aditya B Manaksia	Executive Director – Whole-time Director	Member	1
Mr. Navneet Manaksia	Executive Director – Whole-time Director	Member	1
Mrs. Smita Khaitan	Non-Executive- Independent Director	Member	1

The Company Secretary of the Company, acts as the Secretary to the CSR Committee.

#### (4) GENERAL BODY MEETINGS :

(a) Date, Time and Venue where last three Annual General Meeting held:

Year	Date & Time	Venue	If Special Resolution(s) Passed
2016-17	18th September, 2017, 3:00P.M	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700020	Yes 1. Appointment of Mr. Navneet Manaksia as Whole time Director cum Chief Financial Officer (CFO) 2. Continuation of Mr. Basant Kumar Agrawal as the Chairman cum Managing Director. 3. Re-appointment of Mr. Aditya B Manaksia as a whole time Director. 4. Re-appointment of Mr. Basant Kumar Agrawal as a Managing Director. 5. Change of name of the Company
2015-16	24th September, 2016, 1:00 PM	Bhasha Bhavan, National Library Auditorium Near Alipore Zoo, Belvedere Road, Kolkata- 700 027	No
2014-15	26th September, 2015, 10:00 AM	Bhasha Bhavan, National Library Auditorium Near Alipore Zoo, Belvedere Road, Kolkata- 700 027	Yes 1. Appointment of Mr. Basant Kumar Agrawal as Managing Director of the Company. 2. Amendment in Article of Association of the Company 3. To keep Company's Register with RTA.

- (b) No Special Resolution was passed through postal ballot for financial year 2016-17
- (c) No special resolution proposed to be transacted at the ensuing Annual General Meeting is required to be passed by Postal Ballot in terms of Section 110 of the Companies Act, 2013 and Rules made thereunder and in view of the amendment made in Section 110 by Companies (Amendment) Act, 2017 which inter alia provides that 'any item proposed to be transacted by Postal Ballot may be transacted at the general meeting by a Company provided that the Company is providing facility of e-voting to its members under section 108 of the Companies Act, 2013'.

## (5) MEANS OF COMMUNICATION :

The un-audited / audited quarterly financial results along with limited review report/ audit report by the Auditors in the prescribed format are taken on record by the Board of Director at its meeting within the prescribed time of the close of every quarter and the same are furnished to the stock Exchanges where the Company's shares are listed. The results are also published within 48 hours of conclusion of Board Meeting in the Business Standard in English and Ekdin in Bengali. The financial results are also displayed on the Company's website : [www.bkmindustries.com](http://www.bkmindustries.com).

The Company's website display official news releases as and when occurred. Further, no presentation has been made to Institutional Investors or Analysts.

## (6) GENERAL INFORMATION FOR SHAREHOLDERS :

- a. Annual General Meeting (Date, Time & Venue) : Date : 7th September, 2018.  
Time : 2:30 P.M  
Venue : Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700 020.
- b. Financial year : 1st April 2017 to 31st March 2018
- c. Dividend payment date : Not Applicable
- d. Date of Book closure : 1st September, 2018 to 7th September, 2018  
(both days inclusive)
- e. Listing Details : Shares of your Company are listed on BSE Limited, Mumbai and The National Stock Exchange of India Ltd., Mumbai. The name and addresses of the respective Stock Exchanges and the Company's Stock Code are given below:

### **BSE Limited (BSE)**

25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  
(Scrip Code No. :539043)

### **The National Stock Exchange of India Ltd.(NSE)**

Exchange Plaza, 5th Floor, Plot No. C/1, Block 'G',  
Bandra-Kurla Complex, Bandra(E), Mumbai – 400 051  
(Scrip Code :BKMINDST)

No listing fees are due as on date to both NSE and BSE.

- f. Stock Market Price Data : Monthly High/Low price during the last Financial Year at the BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE) depicting liquidity of the Equity Shares are given hereunder:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High (₹)	Low (₹)	Total Number of Shares Traded	High (₹)	Low (₹)	Total Number of Shares Traded
April 2017	40.95	26.90	897629	41.40	27.30	23,45,205
May 2017	50.15	34.40	593510	50.00	34.35	20,39,135
June 2017	42.75	35.55	105437	41.00	34.80	1,69,797
July 2017	39.75	33.65	123136	40.20	33.25	5,12,409
August 2017	36.80	26.25	57467	39.95	26.60	4,01,736
September 2017	46.50	36.80	275792	47.90	36.45	17,25,773
October 2017	47.60	34.60	455160	47.70	34.00	16,53,754
November 2017	49.65	36.70	974848	47.75	35.05	18,00,226
December 2017	41.40	35.70	577141	41.70	35.50	14,85,110
January 2018	43.65	35.60	1210272	43.80	35.50	28,46,487
February 2018	43.65	34.20	895190	43.50	34.30	6,68,280
March 2018	35.45	26.55	643499	35.90	26.75	19,94,157

g. Share price performance in comparison to BSE SENSEX for the financial year 2017-18.

Month	BSE SENSEX (Closing)	Monthly Closing Price at BSE
April 2017	29,918.40	40.70
May 2017	31,145.80	37.05
June 2017	30,921.61	37.30
July 2017	32,514.94	34.00
August 2017	31,730.49	36.80
September 2017	31,283.72	39.90
October 2017	33,213.13	45.90
November 2017	33,149.35	39.05
December 2017	34,056.83	36.50
January 2018	35,965.02	41.80
February 2018	34,184.04	35.60
March 2018	32,968.68	26.80

h. Registrar and Share Transfer Agent : Link Intime India Pvt. Ltd  
59C, Chowringhee Road, 3rd Floor, Kolkata-700 020  
Phone No. - 033 - 2289 0540  
Fax - 033 - 2289 0539/40  
E-mail : [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in)  
Website : <http://linkintime.co.in>

i. Share Transfer System :

Share Transfer System is entrusted to the Registrar and Share Transfer Agents. The Stakeholders' Relationship Committee is empowered to approve the Share Transfers.

Stakeholders' Relationship Committee Meeting is held as and when required. The Share Transfer, transmission of shares, Issue of duplicate certificate, etc. is endorsed by Directors/Executives/Officers as may be authorized by the Stakeholders' Relationship Committee. Requests for transfers received from members and miscellaneous correspondence are processed/ resolved by the Registrars within stipulated time.

j. Distribution of Shareholding as on 31st March, 2018 :

No. of Ordinary Shares held	No. of Shares	% of Shares	No. of Share-Holders /folios	% Share-Holders /folios
Up to 500	1977291	3.0172	20198	94.0142
501 to 1,000	443547	0.6768	543	2.5275
1,001 to 2,000	436644	0.6663	284	1.3219
2,001 to 3,000	267241	0.4078	103	0.4794
3,001 to 4,000	202894	0.3096	57	0.2653
4,001 to 5,000	256826	0.3919	55	0.2560
5,001 to 10,000	522906	0.7979	67	0.3119
10,001 and above	61426701	93.7325	177	0.8239
<b>Total</b>	<b>65534050</b>	<b>100</b>	<b>21484</b>	<b>100</b>

k. Shareholding Pattern as on 31st March, 2018:

Sl. No.	Category	No. of Shares	% of Shareholdings
1	Promoters Group	41255940	62.95
2	Public	9882399	15.08
3	Nationalised Banks	756	0.00
4	Hindu Undivided Family	746105	1.14
5	Other Bodies Corporate	12235157	18.67
6	Non Resident Indians	143300	0.22
7	Non Resident (Non Repatriable)	44421	0.07
8	Trusts	682586	1.04
9	Clearing Members	543386	0.83
10	<b>TOTAL</b>	<b>65534050</b>	<b>100</b>



- l. Dematerialization of Shares : **ISIN: INE831Q01016**  
As on 31st March the equity shares stand dematerialized/ Physical as follows;  
Physical : 1071 equity shares  
CDSL: 75,22,829 equity shares (11.48%)  
NSDL : 58010150 equity shares (88.52%)
- m. Outstanding Instruments : The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments. As such there is no impact on Equity Shares of the Company.
- n. Commodity Price Risk/ Foreign Exchange Risk and Hedging activities : Commodity Price risk & foreign exchange are as per Market fluctuation and Company has no hedging activities.
- o. Plant Location : Manufacturing units as on 31.3.2018

1	Plot No. 125B, Shree Venkatesh Co-op Industrial area, IDA, Vill - Bollaram, Dist: Medak, Andhra Pradesh
2	Survey No. 161/2, Village - Khultli, Khanvel - Dudhni Road, Near Khanvel, Silvassa - 396 230, U.T. Dadra & Nagar Haveli
3	471, Brisinghpur, P.O. & P.S. District Bankura – 722 202
4	Brahmanpara, P.S. Haripal, Dist. Hooghly – 712 403
5	12, Duffer Street, Liluah, Howrah – 711 2014
6	4 Garden Reach Road, North Workshop, Slipway No. 3, Khidirpore, Panbazar, Kolkata - 700 023

- p. Address for correspondence : **BKM Industries Limited**  
**(Formerly Manaksia Industries Limited)**  
Bikaner Building, 3rd Floor  
8/1 Lal Bazar Street  
Kolkata – 700 001.  
Phone No. 033-2231 0050  
Fax – 033-2230 0336  
email id: [secretarial@bkmindustries.com](mailto:secretarial@bkmindustries.com)
- q. Contact Person : Ms. Surbhi Shah, Company Secretary

## (7) OTHER DISCLOSURES :

- a. **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interest of the Company.

The policy on Related Party Transactions as approved by the Board of Directors of the Company may be accessed on the Company's website at [www.bkmindustries.com](http://www.bkmindustries.com) and the weblink thereto <http://bkmindustries.com/investor-relation/BKM-industries-limited/corporate-policies>

- b. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or Securities and Exchange Board of India or any Statutory Authority, on any matter related to the capital markets, during the last three years.**

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other Statutory Authority related to the capital markets during last three years.

No penalty or strictures have been imposed on the Company by any of the aforesaid authorities during the last three years.

**c. Vigil Mechanism / Whistle Blower Policy :**

As per the requirements of the Companies Act, 2013 and Listing Agreement / applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had established a mechanism for employees to report concerns for unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics. It also provides for adequate safeguards against the victimization of employees who avail the said mechanism. This policy also allows the direct access to the Chairperson of the Audit Committee. The Audit Committee is committed to ensure the flawless work environment by providing a platform to report any suspected or confirmed incident of fraud/ misconduct.

The Company has not denied access to Audit Committee to any personnel of the Company.

**d. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the Corporate Governance :**

The Company has complied with all the applicable mandatory requirements of all the applicable Regulations of SEBI (LODR) Regulations, 2015 and status of adoption of the non-mandatory/discretionary requirements of Part E of Schedule II of the Listing Regulations forms part of this report.

**e. Accounting Treatment in preparation of financial statement :**

The Company has followed the guidelines of accounting standards as prescribed by the Institute of Chartered Accountants of India in preparation of financial statement.

**f. Policy for determining 'material' subsidiaries :**

A subsidiary shall be considered as material if its income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Euroasian Ventures FZE is the foreign material subsidiary of the Company.

The Board and the Audit Committee reviews the financial statements of subsidiary companies and the minutes of the subsidiary companies are placed at the Board meetings of the Company. The statement containing all significant transactions and arrangements entered into by subsidiary companies, as and when required, is placed before the Board.

The Company has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the erstwhile Equity Listing Agreement and the Listing Regulations, 2015 and the same is displayed on the website of the Company. The weblink is <http://bkmindustries.com/investor-relation/BKM-industries-limited/corporate-policies>

**g. Disclosures of commodity price risks and commodity hedging activities :**

The Company is not associated with hedging activities.

**h. CEO / CFO certification :**

The CEO / CFO certification as required under Regulation 17(8) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this report.

**(8) DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED**

- Office to Non-executive Chairperson: Since the Company is headed by Executive Chairman, maintenance of separate office is not required.
- Your Company is under process of updating its system for sending a half-yearly declaration of financial performance including summary of the significant events in last six months to each household of shareholders.
- The financial statement of your Company is continued to be with unmodified audit opinion.
- Separate posts of Chairperson & CEO : Mr. Basant Kumar Agrawal is the Chairman cum Managing Director (CEO) of the Company.
- The Internal Auditors reports directly to the Audit Committee.

## **(9) DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT :**

The Company has opened a separate demat account in the name of "Manaksia Industries Limited-Suspense Account" in order to credit the unclaimed shares of the FPO of Manaksia Limited which could not be allotted to the rightful shareholders due to insufficient/incorrect information or for any other reason. The Voting rights in respect of said shares will be frozen till the time the rightful owner claims such shares. In terms of requirement of Listing Regulations, the details of shares lying in the aforesaid demat account are as:

<b>Particulars</b>	<b>No. of Shares</b>	<b>No. of shareholders</b>
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. 1st April, 2017.	3285	37
Number of shareholders who approached Company for transfer of shares from suspense account during the year.	136	1
Number of shareholders to whom shares were transferred from suspense account during the year.	136	1
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. 31st March, 2018.	3149	36

Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split, etc., shall also be credited to aforesaid suspense account. Shareholders who have yet not claimed their shares are requested to immediately approach the Company/Registrar and Share Transfer Agent of the Company along with documentary evidence, if any.

## **(10) DECLARATION BY CHIEF EXECUTIVE OFFICER WITH RESPECT AFFIRMATION ON COMPLIANCE WITH CODE OF CONDUCT :**

The Company has framed Code of Conduct for all the Board Members, Key Managerial Personnel and other Senior Executives of the Company who have affirmed compliance with the same as on 31st March, 2018. The Code is displayed on the Company's website: [www.bkmindustries.com](http://www.bkmindustries.com). A declaration signed by the Managing Director & CEO to this effect forms part of this Report.

## **(11) COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE FROM PRACTISING COMPANY SECRETARIES :**

The Company has received a Certificate annexed to this report, from Mr. Santosh Kumar Tibrewalla, Practising Company Secretary, certifying compliances with the provisions relating to the Corporate Governance as stipulated in the Listing Regulations.

## CERTIFICATION OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

(In terms of Regulation 17(8) of the Securities Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors,  
M/s. BKM Industries Ltd.

Dear Sirs,

In terms of Regulation 17(8) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Basant Kumar Agrawal, Chairman cum Managing Director and Mr. Sandeep Kumar Sultania, Chief Financial Officer, of the Company, certify that:

- a) We have reviewed financial statements and the cash flow statements of the Company for the quarter and year ended 31st March 2018 and that to the best of our knowledge and belief
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2017-18 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee:
  - (i) Significant changes, if any, in internal control over financial reporting during the year.
  - (ii) Significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For BKM Industries Limited**

**Basant Kumar Agrawal**  
*Chairman cum Managing Director*  
DIN: 00520558

**For BKM Industries Limited**

**Sandeep Kumar Sultania**  
*Chief Finance Officer*

Place : Kolkata  
Date : 28.05.2018



## DECLARATION BY CHIEF EXECUTIVE OFFICER FOR COMPLIANCE WITH THE CODE OF CONDUCT

I, Basant Kumar Agrawal, Chairman cum Managing Director (CEO) of M/s. BKM Industries Limited in terms of Regulation 26(3) read with Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 declare that as of 31st March, 2018 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company.

**For BKM Industries Limited**

**Basant Kumar Agrawal**  
*Chairman cum Managing Director (CEO)*  
DIN: 00520558

Place: Kolkata  
Date: 28.05.2018

## CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE AS REQUIRED UNDER 34(3) READ WITH SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,  
The Members of  
**BKM Industries Limited**  
(Formerly Manaksia Industries Limited)  
Room No. 504, 5th Floor, Block -3B,  
Plot - II/F/11, Ecospace Business Park,  
New Town, Rajarhat,  
**Kolkata- 700160.**

Dear Sirs,

I have examined the Compliance of Corporate Governance by M/s. BKM Industries Limited for the financial year 2017-18, as stipulated under applicable regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered into by the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is responsibility of the Management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with conditions of the Corporate Governances. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the condition of Corporate Governance as stipulated under applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Date: 28.05.2018

**Santosh Kumar Tibrewalla**  
*Practising Company Secretary*  
Membership No. : 3811  
Certificate of Practice No. : 3982.

# ANNEXURE 'C'

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries companies

### Part "A"

SR. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Profit after taxation	Proposed Dividend	% of shareholding	Other Income	Depreciation
1	Euroasian Ventures FZE	-	AED 1 = 0.06	4166.67	14417.59	28082.09	28082.09	5734.38	4112.49	1264.56	1264.56	145.83	100.00	3.23	-
2	Euroasian Steels LLC	-	GEL 1 = 0.04	4175.00	(2961.36)	9598.42	9598.42	-	-	(1.92)	(1.92)	-	87.50	-	-
3	Glitter Agencies Pvt Ltd	-	-	499.00	(43.43)	1474.02	1474.02	-	-	(23.19)	(23.19)	-	100.00	7.21	22.52
4	Jiwaniyoti Vanijiya Pvt Ltd	-	-	499.00	(46.42)	1673.21	1673.21	-	-	(25.18)	(25.18)	-	100.00	7.21	25.55
5	B K Industries Nigeria Ltd	-	NAIRA 1 = 4.69	85.29	(14.11)	2313.77	2313.77	-	-	(14.11)	(14.11)	-	100.00	-	-

Note: Till the end of Financial Year 2017-18, the Company has not remitted any money towards investment in M/s BKM Agrotech Private Limited and operation of that Company has not started, hence detail in respect of M/s BKM Agrotech Private Limited has not been given in AOC-1

## ANNEXURE 'D'

### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 (hereinafter referred to as 'year') and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for year (₹ in lakhs) including Perquisites	% increase in Remuneration in the year	Ratio of remuneration of each Director/ to median remuneration of employees for the year
1	Mr. Basant Kumar Agrawal, Managing Director	91.20	32.75	40.41 : 1
2	Mr. Aditya B. Manaksia, Wholetime Director	61.20	62.85	36:1
3	Mr. Navneet Manaksia*, Wholetime Director	54.00	51.64	31.76 : 1
4	Sandeep Kumar Sultania**, Chief Financial Officer	50.49	47.15	29.96:1
5	Surbhi Shah*** Company Secretary	0.77	Not Applicable	Not Applicable

\*Mr. Navneet Manaksia ceased to be Chief Financial Officer w.e.f 12th February, 2018.

\*\*Mr. Sandeep Kumar Sultania ceased to be Company Secretary and appointed as Chief Financial Officer w.e.f 12th February, 2018.

\*\*\*Ms Surbhi Shah appointed as Company Secretary w.e.f 12th February, 2018

#### Notes:

- No other Director other than the Executive Directors received any remuneration other than sitting fees during the financial year 2017-18.
- The median remuneration of employees of the Company during the year was ₹170345 compared to ₹135278 in the last financial year.
- In the year, there was an increase of 25.92 % in the median remuneration of employees;
- There were 484 permanent employees on the rolls of Company as on March 31, 2018 including about 15 female employees.
- Average percentage decrease in the salaries of the employees other than the managerial personnel in the financial year 2017-18 was 2.01 which is merely due decrease in employee base owing to close of a office of Company in Delhi whereas the increase in the managerial remuneration for the same financial year was 32.37%. Managerial remuneration was increased due to increased activities of the Company in line with Industry norms.
- It is hereby affirmed that the remuneration paid during the year ended 31st March, 2018 was as per the Remuneration Policy of the Company.



**Statement pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

**A. List of top ten employees in terms of remuneration drawn :**

Sl No.	Name of Employees	Designation of the employee	Remuneration drawn during the financial year 2017-18 (₹)	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment held before joining the Company	% of equity shares held in the Company	Whether relative of any Director or Manager of the Company and if so, name of such Director or Manager
1	Sandeep Kumar Sultania	Chief Financial Officer	5093000	Permanent	M.COM, MBF, FCA, ACS, ACMA, DISA Experience: 20 Years In Finance, Accounts, Taxation & Secretarial	1/1/2000	44	Ideal Financing Corporation Ltd	0%	No
2	Sumit Kumar Agarwal	SR. V.P. (Finance & Commercial)	3473112	Permanent	Chartered Accountant Experience: 15 Years In Manufacturing/ Trading/Mining Industries.	23/08/2016	41	Shyam Infra Group	0%	No
3	Sanjib Sekhar Sahoo	SR. V.P.	3114433	Permanent	MBA From XIMB Experience: 34 Years In Marketing And Management	1/9/2016	58	GM-UAE Fro Profit Holding Group	0%	No
4	Mrinal Kanti Kanungo	G.M. (Ropp Closures)	1493469	Permanent	Post Graduate Diploma In Printing Technology Experience: 25 Years In Metal Packaging	9/07/2016	54	Nipra Industries Pvt. Ltd	0%	No
5	Naresh Kumar Pulipaka	Marketing Head	1435926	Permanent	MBA (Marketing) And B.SC (Industrial Chemistry)	10/05/2017	50	Drishti Resource Solutions Llp	0%	No
6	Ratan Lal Chatterjee	General Manager (Export)	1414988	Permanent	B.COM	01/03/2017	61	Oriental Containers Ltd.	0%	No
7	Sanjib Deb	GM (C & A)	1260000	Permanent	B.COM	10/01/2016	61	Veer Plastics Pvt. Ltd.	0%	No
8	Bijay Kumar Sahoo	SR. Manager (Accounts)	1103368	Permanent	Cost Accountant	01/03/2017	54	American Presidency Lines Singapore	0%	No
9	Gautam Dutta	G.M.- Marketing	1099230	Permanent	MBA Experience: 22 Years In Marketing	4/6/2009	42	Hindalco Ind Ltd	0%	No
10	Tadgat Gupta	General Manager	1097772	Permanent	B.COM. And Cainter Experience: 24 Years	19/11/2014	50	Neo Metaliks Ltd	0%	No

- B. No employee in the Company has drawn remuneration not less than ₹102.00 lakhs per annum or ₹8.50 lakhs per month, if employed for part of the year.
- C. There is no employee in employment throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Chairman cum Managing Director or Whole-time Directors and holds by himself or along with his spouse and dependent children, not less than two per cent of the equity shares of the Company.
- D. There is no employee posted and working outside India not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month.

## ANNEXURE 'E'

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company acknowledges its responsibility towards society and economy and accordingly it has decided to carry out programs, projects and activities (collectively known as "CSR Activities") towards achieving social goals like education, health, sanitation, clean & pollution-free environment, livelihood opportunities, etc. to enable the people to deliver their best.

The Company on recommendation of its CSR Committee has laid down a "Corporate Social Responsibility (CSR) Policy", in concurrence with the provisions specified in the Companies Act, 2013 and Rules made thereunder and the same has been uploaded to the website of the Company at <http://bkmindustries.com/investor-relation/BKM-industries-limited/corporate-policies>.

#### 2. The Composition of the CSR Committee:

Names of the Director	Designation in Committee	Nature of Directorship
Mr. Basant Kumar Agrawal	Chairman	Chairman cum Managing Director
Mr. Navneet Manaksia	Member	Wholetime Director
Mr. Aditya B Manaksia	Member	Wholetime Director
Mrs. Smita Khaitan	Member	Non-executive Independent Director

#### 3. Average net profit of the Company for last three financial years: Nil

#### 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

Not Applicable

#### 5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year : Not Applicable

(b) Amount unspent, if any : Not Applicable

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency

Not Applicable

6. We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

#### For BKM Industries Limited

(Formerly Manaksia Industries Limited)

#### Basant Kumar Agrawal

Chairman cum Mg. Director  
Chairman of CSR Committee  
DIN: 00520558

#### Navneet Manaksia

Whole-time Director  
DIN: 00438612

Place : Kolkata

Dated : 28.05.2018

## ANNEXURE 'F'

### Form No. MR -3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
**The Members,**  
**BKM Industries Limited**  
Room No. 504, 5th Floor,  
Block -3B, Plot - II/F/11,  
Ecospace Business Park,  
New Town, Rajarhat,  
**Kolkata – 700160.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. BKM Industries Limited formerly Manaksia Industries Limited (hereinafter called 'the Company') bearing CIN: L27100WB2011PLC161235. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, **to the extent Acts / provisions of the Acts applicable**, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) I further report that, having regards to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis and on representation made by the Company and its officers for compliances under other applicable Acts, laws and Regulations to the Company, the Company has complied with the laws applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the National Stock Exchange Ltd. and BSE Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no in the composition of the Board of Directors during the period under review. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

None of the Directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

**I further report that** subject to our observation there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines except certain delays in compliance in other applicable laws to the Company.

**I further report that** during the audit period, the Company has changed its the name from Manaksia Industries Ltd to its present name w.e.f.16th October, 2017 and has also shifted its registered office to its present address w.e.f. from 3rd October, 2017. It has also incorporated a wholly owned subsidiary Company viz. BKM Agrotech Pvt. Ltd. on 13th March, 2018, however, the subscription money has been paid after closure of the financial year.

Place: Kolkata  
Date: 28.05.2018

**Santosh Kumar Tibrewalla**  
*Practising Company Secretary*  
Membership No. : 3811  
Certificate of Practice No. : 3982.

## ANNEXURE 'G'

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31.03.2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS :

1.	CIN	L27100WB2011PLC161235
2.	Registration Date	25th March, 2011
3.	Name of the Company	BKM Industries Limited
4.	Category/Sub-category of the Company	Public Company Limited By Shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	Room No. 504, 5th Floor, Block -3B, Plot - II/F/11 Ecospace Business Park, New Town, Rajarhat Kolkata- 700 160 Tel No.- +91-33-7120 2100 Fax No.: +91-33-7120 2101
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar and Share Transfer Agent, if any.	Link Intime India Private Limited 59C, Chowringhee Road, 3rd Floor, Room No.5, Kolkata – 700 020 Tel: +91-33-2289 0540 Fax: +91-33-2289 0539

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Crowns & Ropp Caps	25999	95.16%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Euroasian Ventures FZE ,at LOB 12, Ground Floor, Office No.12, G 06 Jebel Ali Free Zone, Dubai , UAE	NA	Subsidiary	100%	2(87)
2	Euroasian Steels LLC,Old Tbilisi (former Mtatsminda) Dist . Tsinamdzgvrishvili St ; Nr. 110,0107	NA	Step Down Subsidiary	87.5%	2(87)
3	B K Manaksia Nigeria Ltd.16B, Joy Avenue ,of Osolo Way, Ajao Estate, Lagos, Nigeria	NA	Subsidiary	100%	2(87)
4	Jiwanjyoti Vanijya Pvt. Ltd.8B, Lal Bazar Street Kolkata Kolkata- 700001	U51909WB2009PTC137474	Subsidiary	100%	2(87)
5	Glitter Agencies Pvt. Ltd.8B, Lal Bazar Street Kolkata Kolkata- 700001	U51909WB2009PTC137722	Subsidiary	100%	2(87)
6	BKM Agrotech Pvt. Ltd.GR. FR; FI-A-2 458 S. N. Roy Road,LP-123/0	U74999WB2018PTC225090	Subsidiary	100%	2(87)



## IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	41255940	-	41255940	62.95	41255940	-	41255940	62.95	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total A(1)	41255940	-	41255940	62.95	41255940	-	41255940	62.95	0.00
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Others - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total A(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = A(1) + A(2)	41255940	-	41255940	62.95	41255940	-	41255940	62.95	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	19208	-	19208	0.03	756	-	756	0.00	(0.03)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Foreign Portfolio Investor)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	19208	-	19208	0.03	756	-	756	0.00	(0.03)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital up to ₹1 lakh	5642688	1469	5644157	8.61	5945168	1070	5946238	9.07	0.46
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2176006	-	2176006	3.32	3936161	-	3936161	6.01	2.69
c) Others (specify)									
Trusts	136	-	136	0.00	682586	-	682586	1.04	1.04
Hindu Undivided Family	357003	-	357003	0.54	746105	-	746105	1.14	0.60
Non Resident Indians (Repat)	77317	-	77317	0.12	143300	-	143300	0.22	0.10
Non Resident Indians (Non Repat)	31888	-	31888	0.05	44421	-	44421	0.07	0.02
Clearing Members	96673	-	96673	0.15	543386	-	543386	0.83	0.68
Body Corporate	15875721	1	15875722	24.23	12235156	1	12235157	18.67	(5.56)
<b>Sub-total (B)(2):-</b>	<b>24257432</b>	<b>1470</b>	<b>24258902</b>	<b>37.02</b>	<b>24276283</b>	<b>1071</b>	<b>24277354</b>	<b>37.05</b>	<b>0.03</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>24276640</b>	<b>1470</b>	<b>24278110</b>	<b>37.05</b>	<b>24277039</b>	<b>1071</b>	<b>24278110</b>	<b>37.05</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>65532580</b>	<b>1470</b>	<b>65534050</b>	<b>100.00</b>	<b>65532580</b>	<b>1470</b>	<b>65534050</b>	<b>100.00</b>	<b>-</b>

## ii. Shareholding of Promoters -

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Basant Kumar Agrawal	14455940	22.05%	-	14455940	22.05%	0	-
2.	Aditya B Manaksia	9500000	14.50%	-	9500000	14.50%	0	-
3.	Navneet Manaksia	9500000	14.50%	-	9500000	14.50%	0	-
4.	Saroj Devi Agrawal	7800000	11.90%	-	7800000	11.90%	6553405	-
	<b>Total</b>	<b>41255940</b>	<b>62.95%</b>		<b>41255940</b>	<b>62.95%</b>	<b>6553405</b>	<b>-</b>

## iii. Change in Promoters' Shareholding – There was no change in the Shareholding of the promoters during the period under review.

iv. Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ACCOLADE TRADERS PRIVATE LIMITED				
	1/4/2017	3264875	4.9820		4.98%
	31/3/2018	3264875	4.9820	3264875	4.9820
2	ATTRACTIVE VINIMAY PRIVATE LIMITED				
	1/4/2017	1816250	2.7715		2.7715
	12/01/2018 -Transfer	(59671)	0.0910	1756579	2.6804
	19/01/2018 - Transfer	(131651)	0.2008	1624928	2.4795
	31/3/2018			1624928	2.4795
3	ARADHANA PROPERTIES PRIVATE LIMITED				
	1/4/2017	1467000	2.2385		2.2385
	12/01/2018- Transfer	(163890)	0.2501	1303110	1.9884
	19/01/2018 - Transfer	(239014)	0.3647	1064096	1.6237
	26/01/2018- Transfer	(161446)	0.2463	902650	1.3774
	02/02/2018- Transfer	(10000)	0.0152	892650	1.3621
	16/02/2018- Transfer	(13000)	0.0198	879650	1.3423
	31/3/2018			879650	1.3423
4	Globe Capital Market Ltd				
	1/4/2017	1357674	2.0717		2.0717
	7/4/2017 - Transfer	5000	0.0076	1362674	2.0793
	14/4/2017 - Transfer	(4901)	0.0074	1357773	2.0719
	21/4/2017- Transfer	(89484)	0.1365	1268289	1.9353
	28/4/2017- Transfer	(510)	0.0007	1267779	1.9345
	05/5/2017- Transfer	(176403)	0.2691	1091376	1.6654
	12/5/2017- Transfer	(63481)	0.0968	1027895	1.5685
	19/05/2017- Transfer	30	0.0000	1027925	1.5685
	02/6/2017- Transfer	(200)	0.0003	1027725	1.5682
	16/6/2017- Transfer	100	0.0001	1027825	1.5684
	23/6/2017- Transfer	(237)	0.0003	1027588	1.5680
	14/7/2017- Transfer	(628)	0.0009	1026960	1.5671
	28/7/2017- Transfer	100	0.0001	1027060	1.5672
	04/8/2017- Transfer	(100)	0.0001	1026960	1.5671
	08/09/2017- Transfer	(195870)	0.2988	831090	1.2682
	22/09/2017- Transfer	5000	0.0076	836090	1.2758
	29/9/2017- Transfer	(11882)	0.0181	824208	1.2577
	13/10/201- Transfer	5000	0.0076	829208	1.2653
	20/10/2017- Transfer	2000	0.0030	831208	1.2684
	27/10/2017- Transfer	(5000)	0.0076	826208	1.2607
	3/11/2017- Transfer	10700	0.0163	836908	1.2771
	17/11/2017- Transfer	(5000)	0.0076	831908	1.2694
	1/12/2017- Transfer	(10000)	0.1525	821908	1.2542
	15/12/2017- Transfer	(500)	0.0007	821408	1.2534
	19/1/2018- Transfer	8792	0.0134	830200	1.2668
	26/01/2018- Transfer	(892)	0.0013	829308	1.2655
	9/2/2018- Transfer	(100)	0.0001	829208	1.2653
	2/3/2018- Transfer	150	0.0002	829358	1.2655
	31/03/2018			829358	1.2655

Sl. No.	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	RAJENDRA PRASAD BUBNA BUBNA				
	1/4/2017	0	0		
	29/09/2017- Transfer	139833	0.2133	139833	0.2134
	06/10/2017 –Transfer	49800	0.0759	189633	0.2894
	24/11/2017 –Transfer	473300	0.7222	662933	1.0116
	12/01/2018 - Transfer	85000	0.1297	747933	1.1413
	31/03/2018			747933	1.1413
6	ANIRUDHA BUBNA TRUST				
	1/4/2017	0	0.00		
	15/9/2017- Transfer	36729	0.0560	36729	0.0560
	13/10/2017- Transfer	5000	0.0076	41729	0.0637
	3/11/2017 – Transfer	248000	0.3784	289729	0.4421
	24/11/2017- Transfer	(275000)	0.4196	14729	0.0225
	5/1/2018 - Transfer	55000	0.0839	69729	0.1064
	12/1/2018- Transfer	41872	0.0638	111601	0.1703
	19/1/2018- Transfer	68000	0.1037	179601	0.2741
	26/1/2018- Transfer	4900	0.0074	184501	0.2815
	9/3/2018- Transfer	200000	0.3051	384501	0.5867
	16/3/2018- Transfer	297949	0.4546	682450	1.0414
	31/3/2018			682450	1.0414
7	B B CONSTRUCTIONS LIMITED				
	1/4/2017	1026250	1.5660		
	12/1/2018- Transfer	(153000)	0.2334	873250	1.3325
	19/1/2018- Transfer	(195000)	0.2975	678250	1.0350
	26/1/2018- Transfer	(70000)	0.1068	608250	0.9281
	31/3/2018			608250	0.9281
8	KALITARA GLASS MOULDING WORKS PVT. LTD.				
	1/4/2017	1913658	2.9201		
	10/11/2017- Transfer	(234410)	0.3576	1679248	2.5624
	17/11/2017- Transfer	(80000)	0.1220	1599248	2.4403
	8/12/2017 - Transfer	(300000)	0.4577	1299248	1.9826
	15/12/2017- Transfer	(145695)	0.2223	1153553	1.7602
	12/1/2018- Transfer	(174536)	0.2663	979017	1.4939
	19/1/2018 –Transfer	(225000)	0.3433	754017	1.1506
	26/1/2018 –Transfer	(190000)	0.2899	564017	0.8606
	2/2/2018 – Transfer	(25000)	0.0381	539017	0.8225
	9/2/2018 –Transfer	(10000)	0.0152	529017	0.8072
	16/2/2018 –Transfer	(8600)	0.0131	520417	0.7941
	31/3/2018			520417	0.7941
9	INFOSOFT GLOBAL PRIVATE LIMITED				
	1/4/2017	0	0.00		
	23/2/2018- Transfer	500000	0.7630	500000	0.7630
	31/3/2018			500000	0.7630
10	AUM CAPITAL MARKET PVT. LTD				
	1/4/2017	0	0.00		
	14/4/2017 –Transfer	400	0.0006	400	0.0006
	21/4/2017- Transfer	(400)	0.0006	0	0

Sl. No.	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	5/5/2017- Transfer	100	0.0002	100	0.0002
	19/5/2017- Transfer	5900	0.0090	6000	0.0092
	26/5/2017- Transfer	8100	0.0123	14100	0.0215
	2/6/2017- Transfer	1000	0.0015	15100	0.0230
	9/6/2017- Transfer	(1000)	0.0015	14100	0.0215
	16/6/2017- Transfer	(2000)	0.0030	12100	0.0185
	21/07/2017- Transfer	(12100)	0.0184	0	0
	28/7/2017- Transfer	12000	0.0183	12000	0.0183
	11/8/2017- Transfer	100	0.0002	12100	0.0185
	18/8/2017- Transfer	(100)	0.0002	12000	0.0183
	1/9/2017- Transfer	100	0.0002	12100	0.0185
	8/9/2017- Transfer	(100)	0.0002	12000	0.0183
	6/10/2017- Transfer	(12000)	0.0183	0	0
	27/10/2017- Transfer	200	0.0003	200	0.0003
	3/11/2017- Transfer	11800	0.0180	12000	0.0183
	24/11/2017- Transfer	(9500)	0.0144	2500	0.0038
	1/12/2017- Transfer	(2500)	0.0038	0	0
	8/12/2017- Transfer	500	0.0008	500	0.0008
	15/12/2017- Transfer	1500	0.0022	2000	0.0031
	22/12/2017- Transfer	(2000)	0.0031	0	0
	12/1/2018- Transfer	101500	0.1549	101500	0.1549
	19/1/2018- Transfer	458061	0.6989	559561	0.8538
	26/1/2018- Transfer	296006	0.4516	855567	1.3055
	2/2/2018- Transfer	146510	0.2235	1002077	1.5291
	9/2/2018- Transfer	1923	0.0029	1004000	1.5320
	16/2/2018- Transfer	517	0.0007	1004517	1.5328
	23/2/2018- Transfer	(502267)	0.7664	502250	0.7664
	2/3/2018-Transfer	(250)	0.0003	502000	0.7663
	9/3/2018--Transfer	200	0.0003	502200	0.7660
	16/3/2018-Transfer	(200)	0.0003	502000	0.7663
	31/3/2018- Transfer	2000	0.0030	500000	0.7630
	31/3/2018			500000	0.7630

**v. Shareholding of Directors and Key Managerial Personnel :**

Sl. No.	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Basant Kumar Agrawal				
	1/4/2017	14455940	22.06		
	31/3/2018	14455940	22.06	14455940	22.06
2	Aditya B Manaksia				
	1/4/2017	9500000	14.50		
	31/3/2018	9500000	14.50	9500000	14.50
3	Navneet Manaksia				
	1/4/2017	9500000	14.50		
	31/3/2018	9500000	14.50	9500000	14.50

\* Directors and KMP holding shares have been considered only.



## V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7433.17	933.06	-	8366.23
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	38.36	-	-	38.36
Total (i+ii+iii)	7471.53	933.06	-	8404.59
Change in Indebtedness during the financial year				
* Addition	1293.92	-	-	1293.92
* Reduction	611.86	167.47	-	779.33
Total	682.06	(167.47)	-	514.59
Indebtedness at the end of the financial year				
i) Principal Amount	8134.68	765.59	-	8900.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	18.91	-	-	18.91
Total (i+ii+iii)	8153.59	765.59	-	8919.18

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In ₹)

Sl No.	Particulars of Remuneration	Name of MD/WTM/ Manager			Total Amount
		CMD	WTD	WTD	
		Mr. Basant Kumar Agrawal	Mr. Aditya B Manaksia	Mr. Navneet Manaksia	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84,00,000	54,00,000	54,00,000	
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	7,20,000	7,20,000	-	
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission - as % of profit - others, specify	-	-	-	
5	Others, please specify -Gratuity				
	Total (A)	91,20,000	61,20,000	54,00,000	2,06,20,000
	Ceiling as per the Act	10% of the Net Profit of the Company Ceiling as per the Act 10% of the Net Profit of the Company Ceiling as per the Act 10% of the Net Profit of the Company.			

## B. Remuneration to other Directors

(In ₹)

Sl No.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors	Dr Kali Kumar Chaudhuri	Mrs. Smita Khaitan	Mr. Amitabha Guha	
1	Fee for attending board committee meetings	74,000	99,000	74,000	2,47,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	74,000	99,000	74,000	2,47,000
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	74,000	99,000	74,000	2,47,000
	Overall Ceiling as per the Act - Fee for attending board/committee Meeting - Commission	₹1,00,000 per Board/Committee Meeting 1% of the net profit of the Company			

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTG

(₹ In Lakhs)

Sl No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	CS	
		Mr. Sandeep Kumar Sultania*	Ms. Surbhi Shah**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50.49	0.77	
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.44	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	50.93	0.77	

\*Mr. Sultania was appointed as Company Secretary till 12th February, 2018 and is appointed as Chief Financial Officer w.e.f 12th February, 2018

\*\*Ms Surbhi Shah appointed as Company Secretary w.e.f 12th February, 2018

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-NONE-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-NONE-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-NONE-	-	-
Compounding	-	-	-	-	-

### For BKM Industries Limited

(Formerly Manaksia Industries Limited)

#### Basant Kumar Agrawal

*Chairman cum Mg. Director*

DIN: 00520558

#### Navneet Manaksia

*Whole-time Director*

DIN: 00438612

Place : Kolkata

Dated : 28.05.2018

## ANNEXURE 'H'

### NOMINATION, REMUNERATION AND EVALUATION POLICY

FRAMED UNDER SECTION 178 (3) OF COMPANIES ACT, 2013 READ WITH SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

#### I. INTERPRETATION CLAUSES

For the purposes of this Policy references to the following shall be construed as:

"Applicable Law"	: shall mean the Companies Act, 2013 and allied rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any other statute, law, standards, regulations or other governmental instruction as may be applicable to the Company from time to time.
"Company"	: refers to BKM Industries Limited.
Board	refers to the Board of Directors of the Company.
"Committee"	: refers to Nomination & Remuneration Committee of Board of Directors of the Company
"Directors"	: refers to the Chairperson and all whole-time Directors.
"Executives"	: refers to the Directors, Key Managerial Personnel and Senior Management.
"Key Managerial personnel"	: refers to the Managing Director, Manager, Chief Executive Officer, Chief Financial Officer, Company Secretary and any such other officer as may be prescribed under Applicable Law.
"Policy" or "this Policy"	: shall mean the contents herein including any amendments made by the Board of Directors of the Company.
"Senior Management"	: means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

All terms not defined herein shall take their meaning from the Applicable Law.

#### II. EFFECTIVE DATE

This Policy shall become effective from the date of its adoption by the Board.

#### III. SCOPE

- This Policy applies to all the "Executives" of the Company.
- In addition, this Policy also extends to the remuneration of non-executive Directors, including principles of selection of the independent Directors of the Company.
- The Board of Directors has adopted the remuneration Policy at the recommendation of the Committee. This Policy shall be valid for all employment agreements entered into after the approval of the Policy and for changes made to existing employment agreements thereafter.
- In order to comply with local regulations, the Company may have remuneration policies and guidelines which shall apply in addition to this policy.

The Board of Directors of the Company may deviate from this Policy if there are explicit reasons to do so in individual case(s). Any deviations on elements of this remuneration policy under extraordinary circumstances, when deemed necessary in the interests of the Company, shall be reasoned and recorded in the Board's minutes and shall be disclosed in the Annual Report or, in case of an appointment, in good time prior to the appointment of the individual.

#### IV. PURPOSE

This Policy reflects the Company's objectives for good corporate governance as well as sustained and long-term value creation for stakeholders. This Policy will also help the Company to attain optimal Board diversity and create a basis for succession planning. In addition, it is intended to ensure that –

- a) the Company is able to attract, develop and retain high-performing and motivated Executives in a competitive international market;
- b) the Executives are offered a competitive and market aligned remuneration package, with fixed salaries being a significant remuneration component, as permissible under the Applicable Law;
- c) remuneration of the Executives are aligned with the Company's business strategies, values, key priorities and goals.

## V. GUIDING PRINCIPLES FOR REMUNERATION AND OTHER TERMS OF EMPLOYMENT

The guiding principle is that the remuneration and the other terms of employment for the Executives shall be competitive in order to ensure that the Company may attract and retain competent Executives. In determining the remuneration policy, the Committee ensures that a competitive remuneration package for all Executives is maintained and is also benchmarked with other multinational companies operating in national and global markets.

## VI. RESPONSIBILITIES AND POWERS OF THE COMMITTEE

The Committee, in addition to the functions and powers as endowed by its terms of reference, would also be responsible for –

- a) preparing the Board's decisions on issues concerning principles for remunerations (including pension and severance pay) and other terms of employment of Executives and non-executive Directors;
- b) formulating criteria of qualifications and positive attributes to assist the Company in identifying the eligible individuals for the office of Executives;
- c) monitoring and evaluating programs for variable remuneration, if any, both ongoing and those that have ended during the year, for Executives and non-executive Directors;
- d) monitoring and evaluating the application of this Policy;
- e) monitoring and evaluating current remuneration structures and levels in the Company.

## VII. PRINCIPLES FOR SELECTION OF INDEPENDENT DIRECTORS

The nomination of the independent Directors of the Company shall be in accordance with the principles as stated hereunder and other relevant provisions of Applicable Law:

- (a) is a person of integrity and possesses relevant expertise and experience;
- (b) is or was not a promoter of the Company or its holding, subsidiary or associate company and not related to promoters or Directors in the Company, its holding, subsidiary or associate company;
- (c) has or had no pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or Directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) neither himself nor any of his relatives—
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of (a) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or (b) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
  - (iv) is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the Company;



- f) shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

## VIII. OVERALL CRITERIA FOR SELECTION OF EXECUTIVES

The assessment for Senior Management will be done on the basis of below parameters by the concerned interview panel of the Company -

**a) Competencies:**

- Necessary skills ( Leadership skill, communication skills, Managerial skills etc )
- Experiences & education to successfully complete the tasks.
- Positive background reference check.

**b) Capabilities:**

- Suitable or fit for the task or role.
- Potential for growth and the ability and willingness to take on more responsibility.
- Intelligent & fast learner, Good Leader, Organiser & Administrator, Good Analytical skills, Creative & Innovative.

**c) Compatibility:**

- Can this person get along with colleagues, existing and potential clients and partners.
- Strong Interpersonal Skills.
- Flexible & Adaptable.

**d) Commitment:**

- Candidate's seriousness about working for the long term
- Vision & Aim

**e) Character:**

- Ethical, honest, team player

**f) Culture:**

- Fits with the Company's culture. (Every business has a culture or a way that people behave and interact with each other. Culture is based on certain values, expectations, policies and procedures that influence the behavior of a leader and employees. Employees who don't reflect a company's culture tend to be disruptive and difficult)
- Presentable & should be known for good social & corporate culture.

## IX. GENERAL POLICIES FOR REMUNERATION

The various remuneration components would be combined to ensure an appropriate and balanced remuneration package.

1. **A fixed base salary** - Set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. **Perquisites** - In the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
3. **Retirement benefits** - Contribution to Provident Fund, superannuation, gratuity, etc as per Company Rules, subject to Applicable Law.
4. **Motivation/ Reward** - A performance appraisal to be carried out annually and promotions/ increments/ rewards are to be decided by Managing Director based on the appraisal and recommendation of the concerned Head of Departments, where applicable.
5. **Severance payments** - In accordance with terms of employment, and applicable statutory requirements, if any.

Any remuneration payable to the Executives of the Company shall abide by the following norms -

- i. The base salary shall be competitive and based on the individual Executive's key responsibilities and performance;

- ii. Base salaries would be based on a function-related salary system and be in line with the market developments shown by the benchmark research and additional market studies. The annual review date for the base salary would be April 1 or any other date as may be determined by the Committee from time to time, subject to the Company's Policy;
  - iii. The Executives will be entitled to customary non-monetary benefits such as Company cars, phone and such other fixed entitled benefits;
  - iv. Pension contributions shall be made in accordance with applicable laws and employment agreements;
  - v. The Executives resident outside India or resident in India but having a material connection to or having been resident in a country other than India, may be offered pension benefits that are competitive in the country where the Executives are or have been resident or to which the Executives have a material connection, preferably defined-contribution plans;
  - vi. A Director may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under Applicable law;
  - vii. If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it;
  - viii. A Director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company shall not be disqualified from receiving any remuneration or commission from any holding or subsidiary company of the Company, subject to its disclosure by the Company in the Board's report.
- A. Any fee/ remuneration payable to the non-executive Directors of the Company shall abide by the following norms –
- i. If any such Director draws or receives, directly or indirectly, by way of fee/ remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it;
  - ii. Such Director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under Applicable law;
  - iii. An independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission, as may be permissible under the Applicable law.

## **X. NOTICE OF TERMINATION AND SEVERANCE PAY POLICY**

The notice of Termination and Severance pay shall be as per the terms of appointment as mentioned in the Employment Agreement or Letter of Appointment.

## **XI. DISCLOSURE AND DISSEMINATION**

- i. The Policy shall be disclosed in the Board's report to shareholders of the Company.
- ii. The annual report of the Company would specify the details of remuneration paid to Directors.
- iii. The Company is required to publish its criteria of making payments to non-executive Directors in its annual report. Alternatively, this may also be put up on the Company's website and reference be drawn in the annual report.

### **Notes:**

1. Based on the recommendation of the Nomination & Remuneration Committee at its meeting held on 30th May, 2015, the policy was approved and adopted by the Board of Directors of the Company at its meeting held on 30th May, 2015.
2. The Policy was amended in order to align the same with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Nomination & Remuneration Committee at its meeting held on 11th February, 2016 and recommended to the Board of Directors for their approval. The Board of Directors of the Company at its meeting held on 11th February, 2016 approved the amended policy.
3. The Policy was reviewed and revised by the Board of Directors in its meeting held on 28th May, 2018 incorporating the new name of the Company and certain other amendments.

# FINANCIAL STATEMENTS

# Independent Auditor's Report

To The Members of

**BKM Industries Limited**

(Formerly Known as Manaksia Industries Limited)

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **BKM Industries Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2018, the statement of Profit and Loss (including Other Comprehensive Income), the statement of Cash Flows and the statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

## Management's Responsibility for the Standalone Ind AS 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 and presentation of these standalone 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 relevant rules issued thereunder.

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 standalone 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

Our responsibility is to express an opinion on these standalone Ind AS 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 thereunder.

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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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's preparation of the standalone 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 the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 including the Ind AS, of the financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A'; a statement on the matters specified in the paragraph 3 and 4 of the said order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report 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 Standalone Ind AS Balance Sheet, Statement of Profit and Loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rule issued thereunder;
  - e. on the basis of the written representations received from the Directors as on March 31, 2018, taken

on record by the Board of Directors, none of the Directors is disqualified as on March 31, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'; 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the pending litigations in its Ind AS financial statements;
  - ii. The Company did not have any long- term contracts, including derivative contracts. Accordingly, no provisions for material foreseeable losses have been made; and
  - iii. There were no amounts which are required to be transferred to the investor education & protection fund by the Company.

For **SRB & Associates**  
Chartered Accountants  
Firm Registration: No-310009E

**Bisworanjan Sutar**  
Partner  
Membership No: 066708

Kolkata, May 28, 2018



## Annexure-A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal & Regulatory Requirements' section of our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of BKM Industries Limited (the Company) on the standalone Ind AS financial statements for the year ended March 31, 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical

verification is reasonable having regard to the size of the company and the nature of its assets. Pursuant to such program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies were noticed on such verification.

- (c) As discussed with the Management and according to the information and explanations given to us, the title deed of immovable properties has not been held in the name of the Company. These Immovable properties details are given below:

Sl. No.	Particulars	Locations	Area (In Acres)	Carrying Value (₹ In Lakhs)
1	Free Hold Land	Hyderabad	4.995	2.07
2	Free Hold Land	Silvasa	2.326	5.34
3	Free Hold Land	Belur	0.112	2.01
4	Free Hold Land	Liluah	4.995	8.55
5	Free Hold Land	Bankura	1.700	8.54
6	Leasehold Land	Bhopal	9.757	9.07

- (ii) The inventory has not been physically verified by the management during the year. In our opinion, inventory must be physically verified at least once in a year.

- (iii) (a) According to the information and explanations given to us, the terms and conditions in respect of the loans granted by the Company (Secured/Unsecured Loans) to Companies/ Firms/ Limited Liability Partnerships or Other Parties covered in the register maintained under section 189 of the Act are not prima-facie prejudicial to the interest of the Company.

- (b) In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.

- (c) In respect of the aforesaid loans, there is no overdue amount for a period exceeding 90 days.

- (iv) 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 Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

- (v) In our opinion and according to the information

and explanations given to us, the Company has not accepted any deposits from public and accordingly paragraph 3 (v) of the Order is not applicable.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, CGST, SGST, IGST, UTGST, value added tax, cess and other material statutory dues have been generally regularly deposited during the year except in certain cases by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, the following dues of Excise Duty, Service Tax, Entry Tax and Other Dues have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount involved (₹ In Lakhs)	Period to which the amount relates	Forum where Disputes is pending
Central Excise & CGST Act	Excise Duty & Penalty	95.91	2017-18	Commissionerate Audit-II, Kolkata
Central Excise & CGST Act	Excise Duty & Penalty	177.05	2017-18	Central GST Commissionerate, Howrah
Central Excise & CGST Act	Excise Duty & Penalty	0.65	2017-18	Asst. Commissionerate of CGST & C. Ex, Bankura Division
Central Excise Act, 1944	Excise Duty & Penalty	35.03	1991-99	Superintendent of Central Excise, Range-9
Central Excise Act, 1944	Excise Duty & Penalty	16.04	2012-13	Addl. Commissioner, Hyderabad
Central Excise Act, 1944	Excise Duty & Penalty	17.30	2014-15	Jt. Commissioner, Hyderabad
Central Excise Act, 1944	Excise Duty & Penalty	295.04	2010-11	Commissioner of C.Ex., Hyderabad – I
Central Excise Act, 1944	Excise Duty & Penalty	25.58	1991-92	Commissioner of Central Excise, Kolkata
Central Excise Act, 1944	Excise Duty & Penalty	28.56	1990-94	Collectorate of C.Ex, Cal – II
Central Excise Act, 1944	Excise Duty & Penalty	49.66	1991-94	Superintendent, C.EX of HND
Central Excise Act, 1944	Excise Duty & Penalty	10.72	1992-15	A.C, C.Ex., CGR-I
Central Excise Act, 1944	Excise Duty & Penalty	5.68	2007-11	A.C., C.E.DGP
Central Excise Act, 1944	Excise Duty & Penalty	14.24	2007-08	Jt.Commr, Bolpur
Central Excise Act, 1944	Excise Duty & Penalty	8.35	1998-99	Additional Commissioner, Cal-IV
Central Excise Act, 1944	Excise Duty & Penalty	17.28	1993-04	Additional Commissioner, C.Ex of Cal-II
Central Excise Act, 1944	Excise Duty & Penalty	1.17	2013-14	Asstt. Commissioner, C.Ex, HND-II
Central Excise Act, 1944	Excise Duty & Penalty	2.66	2011-12	D.C., C.E, DGP
Central Excise Act, 1944	Excise Duty & Penalty	9.54	1995-97	Dy. Commissioner, C.Ex of Cal-II
Central Excise Act, 1944	Excise Duty & Penalty	0.31	2000-12	Joint Commissioner, C.Ex, Cal-IV
Central Excise Act, 1944	Excise Duty & Penalty	235.55	2015-16	Central Excise Commissionerate, kol-IV
Central Excise Act, 1944	Excise Duty & Penalty	0.46	2016-17	Asst. Commissioner of C.E-Bankura Division
Central Excise & CGST Act	Service Tax	2.69	2017-18	Asst. Commissioner of CGST & Central Excise, Durgapur Audit
Central Excise Act, 1944	Service Tax	31.69	2009-10	Asst, Commissioner, CE & ST Haldia- Div.I
MP Industrial Relation Act, 1960	Others	2.13	2014-15	Labour Court, Bhopal
The WB Entry Tax Act	Entry Tax	70.66	2011-17	High Court, Kolkata

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, bankers and government or debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(x) According to the information and explanations given to us, no fraud by the Company or on 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, 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.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph (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 section 177 & 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone Ind AS financial statements of the Company as required by the applicable accounting standards.

(xiv) According to the information & explanations given 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. Therefore, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(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 them. Accordingly, paragraph (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 **SRB & Associates**  
*Chartered Accountants*  
Firm Registration: No-310009E

**Bisworanjan Sutar**  
*Partner*

Kolkata, May 28, 2018

Membership No: 066708

## Annexure -B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal & Regulatory Requirements' section of our report of even date)

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 **BKM Industries Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS 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.

### 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 standalone Ind AS 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention

or timely detection of unauthorised 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, 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 **SRB & Associates**  
Chartered Accountants  
Firm Registration: No-310009E

**Bisworanjan Sutar**  
Partner  
Kolkata, May 28, 2018  
Membership No: 066708

## Standalone Balance Sheet as at March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>I. ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and Equipment	5	5,396	3,054	3,190
(b) Capital work-in-progress	5	178	450	374
(c) Intangible assets	5	37	48	59
(d) Intangible assets under development		-	-	-
(e) Financial Assets				
(i) Investments	6	4,319	4,237	3,239
(ii) Trade receivables		-	-	-
(iii) Loans	8	478	373	67
(iv) Other financial assets	9	6	-	-
(f) Deferred tax assets (net)		-	-	-
(g) Other non-current assets	10	776	606	7
<b>2. Current assets</b>				
(a) Inventories	12	5,684	5,708	4,892
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	7	5,054	3,825	3,579
(iii) Cash & cash equivalents	13	53	90	75
(iv) Bank balances other than (iii) above		-	-	-
(v) Loans	8	369	1,094	1,726
(vi) Other financial assets	9	171	58	2
(c) Current Tax Assets (net)	14	6	82	144
(d) Other current assets	10	1,282	799	750
<b>3. Non-current assets held for disposal</b>	5	-	-	2
<b>TOTAL ASSETS</b>		<b>23,809</b>	<b>20,424</b>	<b>18,106</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1. Equity</b>				
(a) Equity Share Capital	15	655	655	655
(b) Other Equity	16	11,842	9,975	9,162
<b>2. Liabilities</b>				
<b>(i) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	17	3,038	2,689	1,420
(ii) Trade payables		-	-	-
(iii) Other financial liabilities	19	35	35	35
(b) Provisions	20	320	304	261
(c) Deferred tax liabilities (net)	11	863	87	255
(d) Other non-current liabilities		-	-	-
<b>(ii) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	17	5,182	4,896	4,806
(ii) Trade payables	18	337	295	178
(iii) Other financial liabilities	19	700	818	982
(b) Other current liabilities	21	688	410	211
(c) Provisions	20	149	260	141
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,809</b>	<b>20,424</b>	<b>18,106</b>
Significant accounting policies	1 & 2			
Notes forming an integral part of financial statements	3 to 57			

As per our report of even date attached

For SRB &amp; Associates

Chartered Accountants

F. Regd. No.310009E

Bisworanjan Sutar

(Partner)

Membership No.066708

Date : May 28, 2018

Place: Kolkata

For and on behalf of the Board of Directors

B K Agrawal

(Chairman cum Managing Director)

DIN:00520558

S K Sultania

(Chief Financial Officer)

Navneet Manaksia

(Wholtime Director)

DIN:00438612

Surbhi Shah

(Company Secretary)

Membership No. A38309

## Standalone Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
<b>Income</b>			
I. Revenue from Operations	22	15,338	12,292
II. Other Income	23	368	408
III. Other Gains/(Losses)	24	43	183
<b>Total Income</b>		<b>15,749</b>	<b>12,883</b>
<b>IV. Expenses</b>			
(a) Cost of Materials Consumed	25a	3,498	4,714
(b) Changes in Inventories (increase) /decrease	26	(303)	(804)
(c) Purchase of Stock In Trade	25b	6,604	2,717
(d) Depreciation and Amortization expenses	5	350	381
(e) Operating and Manufacturing Expenses	27	732	931
(f) Employee Benefit Expenses	28	1,411	1,583
(g) Finance cost	29	1,100	883
(h) Other Expenses	30	1,700	1,676
<b>Total expenses</b>		<b>15,092</b>	<b>12,081</b>
<b>V. Profit Before exceptional items and tax</b>		<b>657</b>	<b>802</b>
Exceptional items		-	-
<b>VI. Profit Before Taxes</b>		<b>657</b>	<b>802</b>
<b>VII. Tax Expenses</b>			
(a) Current Tax		132	130
(b) Deferred Tax Expenses/(Income)		(2)	(160)
<b>VIII. Profit (Loss) for the Period</b>		<b>527</b>	<b>832</b>
<b>IX. Other Comprehensive Income</b>			
<b>A (i) Items that will not be reclassified to profit or loss :</b>			
(a) Revaluation Surplus of Property Plant & Equipment	52	2,233	-
(b) Re-measurement of defined employee benefit plans	35	16	(25)
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss :</b>			
- on Revaluation Surplus on Property, Plant & Equipment	33	(773)	-
- on Re-measurement of defined employee benefit plans	33	(5)	8
<b>B (i) Items that will be reclassified to profit or loss :</b>			
(a) Changes in investments other than equity shares carried at Fair Value through OCI (FVOCI)		-	-
<b>(ii) Income tax relating to items that will be reclassified to profit or loss :</b>			
<b>X. Total Other comprehensive Income after tax</b>		<b>1,471</b>	<b>(17)</b>
<b>XI. Total comprehensive income for the period</b>		<b>1,998</b>	<b>815</b>
<b>XII. Earnings per equity share:</b>			
(1) Basic		0.80	1.27
(2) Diluted		0.80	1.27
Significant accounting policies	1 & 2		
Notes forming an integral part of financial statements	3 to 57		

As per our report of even date attached

For SRB & Associates

Chartered Accountants

F. Regd. No.310009E

Bisworanjan Sutar

(Partner)

Membership No.066708

Date : May 28, 2018

Place: Kolkata

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(Chairman cum Managing Director)

DIN:00520558

S K Sultania

(Chief Financial Officer)

Navneet Manaksia

(Wholtime Director)

DIN:00438612

Surbhi Shah

(Company Secretary)

Membership No. A38309



## Standalone Statement of Changes in Equity as at and for the year ended March 31, 2018

### A. Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
As at April 1, 2016	655
Changes in equity share capital during the year 2016-2017	-
As at March 31, 2017	655
Changes in equity share capital during the year 2017-2018	-
As at March 31, 2018	655

### B. Other Equity

(₹ in Lakhs)

Particulars	Attributable to owners of BKM Industries Limited					Total other equity
	Reserves & Surplus				Other Comprehensive Income	
	Capital Reserves	General Reserves	Securities Premium Reserve	Retained Earnings	Revaluation Reserves	
Balance at April 1, 2016	5	6,301	4,171	(1,315)	-	9,162
Profit for the year	-	-	-	832	-	832
Other comprehensive income	-	-	-	(17)	-	(17)
<b>Total comprehensive income for the year</b>	-	-	-	<b>815</b>	-	<b>815</b>
Other Adjustments	-	-	-	-	-	(2)
Issue of equity shares	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
<b>Balance at March 31, 2017</b>	<b>5</b>	<b>6,301</b>	<b>4,171</b>	<b>(500)</b>	<b>-</b>	<b>9,975</b>
Profit for the year	-	-	-	527	-	527
Other comprehensive income	-	-	-	11	1,460	1,471
<b>Total comprehensive income for the year</b>	-	-	-	<b>538</b>	<b>1,460</b>	<b>1,998</b>
Other Adjustments	-	-	-	-	-	-
Issue of equity shares	-	-	-	-	-	-
Dividends paid	-	(131)	-	-	-	(131)
<b>Balance at March 31, 2018</b>	<b>5</b>	<b>6,170</b>	<b>4,171</b>	<b>38</b>	<b>1,460</b>	<b>11,842</b>

As per our report of even date attached

For SRB &amp; Associates

Chartered Accountants

F. Regd. No.310009E

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(Company Secretary)

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## Standalone Statement of Cash Flows for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>A Operating Activities</b>		
Profit before tax from continuing operations	657	802
Profit/(loss) before tax from discontinuing operations	-	-
<b>Profit before tax</b>	<b>657</b>	<b>802</b>
<b>Adjustments for:</b>		
Depreciation on Property, Plant and Equipment	339	370
Amortisation of intangible assets	11	11
Finance Cost (including fair value changes in financial instruments)	1,100	883
Net foreign exchange differences	21	36
Interest Income (including fair value changes in financial instruments)	(197)	(299)
Dividend Income	(154)	-
(Profit)/Loss on sales of Property, Plant and Equipment	(64)	(219)
Net (Gain)/Loss on remeasurement of Financial Assets carried FVTPL	166	118
<b>Operating profit / (loss) before working capital changes</b>	<b>1,879</b>	<b>1,702</b>
<b>Working capital adjustments:</b>		
Decrease/(Increase) in Trade receivables	(1,229)	(246)
Decrease/(Increase) in Loans	725	632
Decrease/(Increase) in Inventories	25	(817)
Decrease/(Increase) in Other financial assets	(301)	(208)
Decrease/(Increase) in Other current assets	(483)	(49)
(Decrease)/Increase in Trade payables	42	117
(Decrease)/Increase in Other financial liability	168	(74)
(Decrease)/Increase in Other current liability	278	199
(Decrease)/Increase in Provisions	(78)	137
	<b>1,026</b>	<b>1,393</b>
Income taxes paid	(56)	(69)
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES (A)</b>	<b>970</b>	<b>1,324</b>
<b>B Investing Activities</b>		
Purchase of Property, Plant and Equipment	(468)	(323)
Changes in Capital Work In Progress	271	(76)
Other non-current assets	(281)	(905)
Sale of Property, Plant and Equipment	84	309
(Purchase)/Sale of Investments	(82)	(998)
Interest received (finance income)	197	299
Dividend received (finance income)	154	-
<b>NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES (B)</b>	<b>(125)</b>	<b>(1,694)</b>
<b>C Financing Activities</b>		
Proceeds from issue of equity shares	-	-
Interest paid	(1,100)	(883)
Proceeds/(Repayment) from borrowings	349	1,268
Dividends paid including Dividend Distribution Tax	(131)	-
<b>NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES (C)</b>	<b>(882)</b>	<b>385</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(37)</b>	<b>15</b>
Cash and cash equivalents at the beginning of the year	90	75
<b>Cash and cash equivalents at year end</b>	<b>53</b>	<b>90</b>

This statement of cash flows have been prepared as per indirect method as prescribed under Ind AS 7 "Statement of Cash Flows.

As per our report of even date attached

**For SRB & Associates**  
Chartered Accountants  
F. Regd. No.310009E

**Bisworanjan Sutar**  
(Partner)  
Membership No.066708

Date : May 28, 2018  
Place: Kolkata

For and on behalf of the Board of Directors

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DIN:00520558

**S K Sultania**  
(Chief Financial Officer)

**Navneet Manaksia**  
(Wholtime Director)  
DIN:00438612

**Surbhi Shah**  
(Company Secretary)  
Membership No. A38309

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### NOTE-1: BACKGROUND

BKM Industries Limited (formerly Manaksia Industries Limited) (the company) is a public limited company incorporated and domiciled in India. The company has its primary listings on the BSE Limited and National Stock Exchange of India Limited, in India. The company is engaged in manufacture of Packaging Products, Marine Business and Steel Business.

### NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

##### i) Compliance with Ind AS :

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements under Ind AS. Refer to Note No. 56 for an explanation of how the transition from previous GAAP to Ind AS has affected the company financial position, financial performance and cash flows.

##### ii) Historical cost convention :

The financial statements have been prepared under the historical cost convention, except for the following:

- Certain financial assets and liabilities that is measured at fair value;
- Net Defined Obligations;
- Non-current Assets held for sale.

##### iii) Current And Non -Current Classification

All assets and liabilities have been classified as current and non-current as per the company's operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. The company has ascertained its operating cycle as 12 months for the purpose of current and non-current classifications.

#### 2.2 Property, Plant and Equipment, Intangible Assets and Capital Work-in-progress

##### i) Recognition and Measurement

Freehold land is carried at historical cost on the date of transition and comparative period, during the financial year 2017-18 the Freehold land remeasured as per Revaluation Model. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted as separate assets is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The cost of Property, plant and equipment not available for use as on each reporting date are disclosed under capital work-in-progress.

##### ii) Transition to Ind AS

On transition to Ind AS, the entity has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

##### iii) Depreciation methods, estimated useful lives and residual value

- Depreciation is calculated using the Straight Line Method (SLM) to allocate their cost, net of their residual values over their estimated useful lives. The useful lives have been determined based on the technical evaluation done by the independent experts which are in line with the Schedule II to the Companies Act, 2013.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

- b) Any assets whose aggregate actual cost does not exceed five thousands rupees has been fully charged off in the year of addition.
- c) The residual values are not more than 5% of the original cost of the assets. The asset's residual values and useful lives are reviewed and adjusted at the end of each reporting period.
- d) Depreciation on assets purchased/acquired during the year is charged from the date of purchase of the assets. Assets that are acquired during the year are depreciated on pro rata-basis from the date of such addition or, as the case may be, up to the date on which such assets has been derecognized.
- e) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- f) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).
- g) Depreciation includes amortisation of lease-hold land over the period of lease.

### ii. Intangible assets :

#### a) Recognitions and Measurements :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

#### b) Amortisation methods and periods

Intangible Assets with finite useful lives are amortized on straight line basis over their estimated useful lives.

#### c) Transition to Ind AS

On transition to Ind AS, the entity has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### 2.3 Revenue recognition :

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of excise duty, net of returns, trade allowances, rebates, value added taxes, goods and service tax and amounts collected on behalf of third parties.

It recognises revenue when all the following conditions have been satisfied :

- 1) Has transferred to the buyer the significant risks and rewards of ownership of the goods;
- 2) the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 3) the amount of revenue can be measured reliably;
- 4) it is probable that the economic benefits associated with the transaction will flow to the entity and
- 5) the costs incurred or to be incurred in respect of the transaction can be measured reliably."

### 2.4 Other Incomes

- 1) Insurance claims has been recognized as revenue on cash basis.
- 2) Dividends shall be recognised as revenue when the shareholder's right to receive payment is established.
- 3) Interest shall be recognised as revenue using the effective interest method as set out in Ind AS 109.
- 4) Revenue other than above is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount or the amount in respect of which recovery has ceased to be probable is recognised as an expense, rather than as an adjustment of the amount of revenue originally recognised.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### 2.5 Inventories :

Raw materials, Stores and spares, Semi-finished goods, traded and finished goods

Inventories are valued as under –

- a) Raw materials, Stores spares, loose tools and Erection materials are valued at weighted average cost.
- b) Finished goods are stated at lower of Cost or Net Realisable Value.
- c) Saleable scraps, whose cost is not identifiable, are valued at estimated realisable value.

Cost of raw materials and stores comprises cost of purchase. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Net realizable value is the estimated selling price in the ordinary course of business after deduction of the estimated cost of completion and the estimated costs necessary to make the sale.

### 2.6 Financial Instruments

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument.

#### Financial Assets

#### i) Trade Receivables

Trade Receivables are recognized initially at fair value and subsequently measured at amortized costs less of provisions for impairment.

#### ii) Other Financial Assets

##### a) Classifications

The company classifies its financial assets in the following categories:

- # Those to be measured subsequently at fair value (either through other comprehensive income or through profit and loss).
- # Those measured at amortised costs.

The classification depends upon the business model for managing the financial assets and contractual characteristics of the cash flows.

##### b) Measurements

##### Initial Recognition:

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in profit or loss.

##### Subsequent Measurement:

There are three subsequent measurement categories into which the company classifies its debt instruments financial assets:

##### i) measured at amortised cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

##### ii) measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

to cash flow that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

### iii) **measured at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition.

### iv) **Equity instruments :**

An equity instruments is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised at the proceeds received net off direct issue cost.

All equity instruments classified under financial assets are subsequently measured at fair value. The company has made an irrecoverable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

### c) **Impairment of Financial Assets :**

The company assesses on forward looking basis the expected credit losses associated with its assets carried at amortized costs. The impairment methodology applied depends on whether there has been significant increase in credit risks.

For trade receivables only, the company has applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognized from initial recognition of the receivables.

### d) **Derecognition of Financial Assets :**

A financial assets is derecognized only when :

The company has transferred the rights to receive cash flows from the financial assets or retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients.

## Financial Liabilities

### a) **Borrowings :**

- i) Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.
- ii) Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).
- iii) Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### b) **Trade and other payables :**

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### c) Other Financial Liabilities

Financial liabilities are measured at amortised cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate method. Gain and losses recognized in profit and loss when the liabilities are derecognized.

### d) Offsetting of Financial Instruments:

A financial asset and a financial liability shall be offset and the net amount presented in the balance sheet when, and only when, an entity:

- a) currently has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 2.7 Employee benefits :

### i) Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

All Short term employee benefits such as salaries, incentives, special award, medical benefits which fall due within 12 months of the period in which the employee renders related services, which entitles him to avail such benefits and non accumulating compensated absences (like maternity leave and sick leave) are recognized on an undiscounted basis and charged to Profit and Loss Statement.

### ii) Post-employment obligations

The entity operates the following post-employment schemes:

- a) defined benefit plans such as gratuity, Superannuation and
- (b) defined contribution plans such as provident fund."

#### Provident fund obligations

Contribution to the provident fund, which is a defined contribution plan, made to the Regional Provident Fund Commissioner is charged to the Profit and loss Statement on accrual basis.

#### Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less that fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations denominated in INR is determined by discounting the estimated future cash flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the term of related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in statement of profit and loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### 2.8 Foreign currency translation :

#### i) Functional and presentation currency

Each items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

#### ii) Transactions and balances

Foreign currency transactions i.e. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non monetary items that are measured that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Translation differences on assets and liabilities carried at fair value are reported as part of fair value gain or loss.

### 2.9 Income tax :

- i) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.
- ii) The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.
- iii) Current income tax expense comprises taxes on income from operations in India and is determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) is paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability. The company offsets on a year on basis, the current tax assets and liabilities, where it intends to settle such assets and liabilities on a net basis. The current tax expense recognized in the financial statements is net off MAT credit utilized during the period.
- iv) Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- v) Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
- vi) Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
- vii) Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### 2.10 Cash and cash equivalents :

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### 2.11 Borrowing costs :

- a) General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
- b) Other borrowing costs are expensed in the period in which they are incurred.

### 2.12 Provisions & Contingent Liabilities:

- a) A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. Contingent assets are not recognized.
- b) Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

### 2.13 Contributed equity :

#### a) Equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### b) Dividends :

Provisions is made for any amount of dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of reporting period but not distributed at the end of the reporting period.

### 2.14 Earning Per Share

#### a) Basic Earning Per Share

Basic Earning Per Share is calculated by dividing the profit attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year.

#### b) Diluted Earning Per Share

Diluted Earning Per Share adjusts the figures used in the determination of the basic earning per share to take into account the after income tax effect of interests or other finance costs associated with the dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 2.15 Segment Reporting

Ind AS 108 "Operating Segments", establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Business segments of the Company are primarily enterprises in packaging products and all other segments. All other segments represents the operating segments of businesses in India.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for "all other segments" represents revenue generated from customers located in India. Allocated expenses of segments include expenses incurred for rendering services. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Company.

Assets and liabilities used in the Company's business are not identified to any of the reportable segments, as these are used interchangeably between segments. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

### 2.16 Leases:

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

### 2.17 Investment Properties:

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement of profit and loss. Transfer to, or from, investment property are recognized at the carrying amount of the property.

### 2.18 Research and Development:

Unless dealt under respective Ind AS, research and development expenditure of revenue nature are charged to the Statement of Profit and Loss, while capital expenditure are added to the cost of fixed assets in the year in which these are incurred.

### 2.19 Government Grants:

Grants from government are recognized at their fair value where there is a reasonable assurance that the grants will be received and the company will comply all conditions.

Government grants relating to income are deferred and recognized in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss on a straight line basis over the expected lives of the related assets and presented within other income.

### 2.20 Rounding of amounts :

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

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### NOTE-3: RECENT ACCOUNTING PRONOUNCEMENTS

#### Accounting Pronouncement Issued but not effective :

##### a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. Based on the prima facie evaluation the effect of this on the financial statements and the impact expected to be insignificant.

##### b) Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

#### The standard permits two possible methods of transition:

- (i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- (ii) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### NOTE-4: CRITICAL ESTIMATES AND JUDGEMENTS

#### a) Use of Estimates :

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### b) Critical Accounting Estimates :

##### i) Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

##### ii) Income Taxes :

The Company's major tax jurisdictions is India. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

##### iii) Defined benefit obligation

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

##### iv) Impairment of trade receivables

The company estimates the collectability of accounts receivables by analysing historical payment patterns, customer concentrations, customer credit worthiness and current economic trends. If the financial condition of customer deteriorates, additional allowances may be required.

##### v) Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/ internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and value in use of the assets. The estimated cash flows considered for determining the value in use, are discounted to the present value at weighted average cost of capital (WACC).



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-5: PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

PARTICULARS	Freehold Land	Leasehold Land	Freehold Buildings	Furniture, Fittings and Equipment	Plant and Machinery	Office Equip-ment	Vehicles	TOTAL	Capital Work-in-Progress	Intangible Assets
<b>Gross Carrying Amount</b>										
<b>At April 1, 2016</b>	27	9	1,419	485	7,387	260	231	9,818	374	79
Additions/Adjustments during the year	-	-	33	1	199	9	81	323	76	-
Disposals during the year	-	-	-	-	(704)	-	(4)	(708)	-	-
<b>At March 31, 2017</b>	<b>27</b>	<b>9</b>	<b>1,452</b>	<b>486</b>	<b>6,882</b>	<b>269</b>	<b>308</b>	<b>9,433</b>	<b>450</b>	<b>79</b>
Additions/Adjustments during the year	2,233	-	-	-	436	8	24	2,701	178	-
Disposals during the year	-	-	-	(1)	(71)	-	-	(72)	(450)	-
<b>At March 31, 2018</b>	<b>2,260</b>	<b>9</b>	<b>1,452</b>	<b>485</b>	<b>7,247</b>	<b>277</b>	<b>332</b>	<b>12,062</b>	<b>178</b>	<b>79</b>
<b>Accumulated Depreciation and Impairment</b>										
<b>At April 1, 2016</b>	-	2	720	423	5,119	223	141	6,628	-	20
Depreciation charge for the year	-	-	41	9	290	12	18	370	-	11
Disposals during the year	-	-	-	-	(615)	-	(4)	(619)	-	-
<b>At March 31, 2017</b>	<b>-</b>	<b>2</b>	<b>761</b>	<b>432</b>	<b>4,794</b>	<b>235</b>	<b>155</b>	<b>6,379</b>	<b>-</b>	<b>31</b>
Depreciation charge for the year	-	-	45	8	248	14	24	339	-	11
Disposals during the year	-	-	-	(1)	(51)	-	-	(52)	-	-
<b>At March 31, 2018</b>	<b>-</b>	<b>2</b>	<b>806</b>	<b>439</b>	<b>4,991</b>	<b>249</b>	<b>179</b>	<b>6,666</b>	<b>-</b>	<b>42</b>
Net Book Value At March 31, 2018	2,260	7	646	46	2,256	28	153	5,396	178	37
Net Book Value At March 31, 2017	27	7	691	54	2,088	34	153	3,054	450	48
Deemed cost At April 1, 2016	27	7	699	62	2,268	37	90	3,190	374	59

#### Net Book Value:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, Plant and Equipment	5,396	3,054	3,190
Capital Work-in-progress	178	450	374
Intangible Assets	37	48	59

(I) Details of Property, Plant &amp; Equipment pledged as security - Refer Note No. 47.

(II) Refer Note. 51 for estimated useful lives of different class of Property, Plant &amp; Equipment.

(III) The details of retired asset as at end of each period is as below :-

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, Plant and Equipment	3,269	3,269	3,269
Capital Work-in-progress	-	-	-
Intangible Assets	-	-	-

(IV) The details of Assets held for sale as at end of each period is as below :-

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(i) Property, Plant and Equipment</b>			
Opening Balance/Deemed Cost	-	2	-
Additions	-	-	2
Deletions	-	(2)	-
Carrying Amount/Deemed Cost	-	-	2

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-6: INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Investment in Equity Instruments:</b>			
<b>Investment in Subsidiary Entities</b>			-
(a) Euroasian Ventures FZE (25 Equity shares fully paid of face value AED 1000000 each)	3,239	3,239	3,239
(b) Glitter Agencies Private Limited (4990000 Equity shares fully paid of face value of 10 each)	499	499	-
(c) Jiwanjyoti Vanijya Private Limited (4990000 Equity shares fully paid of face value of 10 each)	499	499	-
(d) BK Manaksia Nigeria Limited (39990000 Equity shares fully paid of face value of Niara 1 each)	82	-	-
<b>Total</b>	<b>4,319</b>	<b>4,237</b>	<b>3,239</b>
(i) <b>Non-current</b>	4,319	4,237	3,239
(ii) <b>Current</b>	-	-	-
<b>Total</b>	<b>4,319</b>	<b>4,237</b>	<b>3,239</b>
<b>Investments measured:</b>			
(a) At Amortized Cost	4,319	4,237	3,239
(b) At Fair Value through Profit & Loss (FVPL)	-	-	-
(c) At Fair Value through Other Comprehensive Income (FVOCI)	-	-	-
<b>Total</b>	<b>4,319</b>	<b>4,237</b>	<b>3,239</b>

### Note-7: TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured, considered good</b>			
(i) Non-Current	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
(ii) Current			
Gross Trade Receivables	5,678	4,298	3,959
<b>Less: Trade Receivable Written off</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less: Impairment loss/(gain) on financial assets</b>	<b>(624)</b>	<b>(473)</b>	<b>(380)</b>
<b>Sub-Total</b>	<b>5,054</b>	<b>3,825</b>	<b>3,579</b>
<b>Total</b>	<b>5,054</b>	<b>3,825</b>	<b>3,579</b>

(a) Trade receivables are non-interest bearing and are generally on terms of 90 to 180 days.

### Note-8: LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured, considered good</b>			
(i) <b>Non Current</b>			
Security Deposits	9	9	9
Inter-corporate Loans & Deposits*	469	364	58
Deposits with Government Authorities	-	-	-
<b>Sub-Total</b>	<b>478</b>	<b>373</b>	<b>67</b>
(ii) <b>Current</b>			
Security Deposit	-	2	-
Inter-corporate Loans & Deposits	369	1,092	1,726
<b>Sub-Total</b>	<b>369</b>	<b>1,094</b>	<b>1,726</b>
<b>Total</b>	<b>847</b>	<b>1,467</b>	<b>1,793</b>

\*Inter-corporate loans and deposits includes related parties and other corporates.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-9: OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(i) Non-Current</b>			
Application money paid towards subscription of securities	6	-	-
Other bank balances*	-	-	-
<b>Sub-Total</b>	<b>6</b>	<b>-</b>	<b>-</b>
<b>(ii) Current</b>			
Derivative Financial Asset	-	-	-
Other bank balances*	171	58	2
Others	-	-	-
<b>Sub-Total</b>	<b>171</b>	<b>58</b>	<b>2</b>
<b>Total</b>	<b>177</b>	<b>58</b>	<b>2</b>

\*Details of other balances with banks.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earmarked Balances with Banks	-	-	-
Term Deposits with Bank	-	-	-
Margin money, guarantee and security with banks*	171	58	2
<b>Total</b>	<b>171</b>	<b>58</b>	<b>2</b>

\*The margin money, guarantee and security with banks includes deposits held as collateral Security.

### Note-10: OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(i) Non-Current</b>			
Capital Advance	1	1	1
Security Deposit	-	-	-
Balances with Government Authorities	7	7	6
Prepaid Lease Rentals	768	592	-
Other Loans & Advances	-	6	-
<b>Sub-Total</b>	<b>776</b>	<b>606</b>	<b>7</b>
<b>(ii) Current</b>			
Capital Advance	-	-	-
Security Deposit	-	10	19
Balances with Government Authorities	842	440	394
Other Loans & Advances	440	349	337
<b>Sub-Total</b>	<b>1,282</b>	<b>799</b>	<b>750</b>
<b>Total</b>	<b>2,058</b>	<b>1,405</b>	<b>757</b>

### Note-11: DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, Plant and Equipment	(1,314)	(576)	(521)
Intangible Assets	-	-	-
Employee Benefit Obligation	162	195	136
MAT Credit Entitlement	72	130	-
Impairment loss/(gain) on financial assets	217	164	130
<b>Total</b>	<b>(863)</b>	<b>(87)</b>	<b>(255)</b>

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-12: INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Raw Materials	1,718	2,033	1,934
(b) Work-in-Process	3,040	2,643	2,004
(c) Finished Goods	474	568	459
(d) Stores & Spares	277	287	375
(e) Stock in Transit	-	-	-
(f) Scraps	175	177	120
<b>Total</b>	<b>5,684</b>	<b>5,708</b>	<b>4,892</b>

### Note-13: CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Balances with banks</b>			
(i) Cash at bank	198	80	9
(ii) Cash on hand	26	68	68
(iii) Cheques on hand	-	-	-
<b>Sub Total</b>	<b>224</b>	<b>148</b>	<b>77</b>
<b>Less : Amount grouped under other bank balances</b>	<b>171</b>	<b>58</b>	<b>2</b>
<b>Total</b>	<b>53</b>	<b>90</b>	<b>75</b>

### Note-14: CURRENT TAX ASSETS/ (LIABILITIES) (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income tax payable	-	-	-
Income tax receivable	6	82	144
<b>Total</b>	<b>6</b>	<b>82</b>	<b>144</b>

### Note-15: SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Equity Share Capital</b>			
<b>a) Authorised</b>			
75000000 (on March 31, 2017: 75000000) (on March 31, 2016: 75000000) Equity Shares of ₹1/- each	750	750	750
	<b>750</b>	<b>750</b>	<b>750</b>
<b>b) Issued, Subscribed and Paid Up</b>			
<b>Equity Shares:</b>			
65534050 (on March 31, 2017: 65534050) (on March 31, 2016: 65534050) Equity Shares of ₹ 1 each fully paid up	655	655	655
<b>Total</b>	<b>655</b>	<b>655</b>	<b>655</b>

# Above figures in bracket pertains to immediately preceding previous period figures.

#### c) Reconciliation of number of equity shares are set out below:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i) Shares outstanding at the beginning of the financial year	6,55,34,050	6,55,34,050	6,55,34,050
ii) Issued during the year	-	-	-
iii) Shares forfeited/brought back/cancelled during the year	-	-	-
iv) Shares outstanding at the end of the financial year	<b>6,55,34,050</b>	<b>6,55,34,050</b>	<b>6,55,34,050</b>

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-15: SHARE CAPITAL (Contd.)

#### d) Details of shareholders holding more than 5% of shares

SN.	Name of the shareholders	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		% held	No. of Shares	% held	No. of Shares	% held	No. of Shares
1	Basant Kumar Agrawal	22%	1,44,55,940	22%	1,44,55,940	63%	4,12,55,940
2	Navneet Manaksia	14%	95,00,000	14%	95,00,000	-	-
3	Aditya B Manaksia	14%	95,00,000	14%	95,00,000	-	-
4	Saroj Devi Agrawal	12%	78,00,000	12%	78,00,000	-	-

- (a) The Company has a single class of equity shares having par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (c) The company is not a subsidiary company.
- (d) In terms of the scheme of arrangement under section 391 to 394 of the Companies Act, 1956 ('the Scheme') between Manaksia Limited. Manaksia Industries Limited ('the Company') and other three transferee Companies, Manaksia Limited has demerged its business and undertakings namely, Aluminium Undertaking, Steel Undertaking, CMMC Undertaking and Packaging Undertaking to four separate transferee Companies. In terms of the Scheme 6,55,34,050 equity shares of ₹1/- each fully paid-up, of the Company have been issued payment being received in cash, in the ratio of 1 (one) fully paid-up equity share of ₹ 1/- each of the Company for every equity share held in Manaksia Limited.
- (e) The company has changed its name from Manaksia Industries Limited to BKM Industries Limited with effect from 16th of October, 2017.
- (f) No Shares has been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.
- (g) For the period of five years immediately preceding the date at which the balance sheet is prepared, the company has not :
- Issued class of shares allotted as fully paid up pursuant to contract without payment being received in cash;
  - Issued class of shares allotted as fully paid up by way of bonus shares; and
  - Issued class of shares bought back.

### Note-16: OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>a. Capital Reserve</b>			
Opening Balance	5	5	5
<b>Less:</b> Transferred to Retained Earnings	-	-	-
<b>Sub Total</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>b. Securities Premium</b>			
Opening Balance	4,171	4,171	4,171
<b>Add:</b> Additions during the year	-	-	-
<b>Sub Total</b>	<b>4,171</b>	<b>4,171</b>	<b>4,171</b>
<b>c. General Reserves</b>			
Opening Balance	6,301	6,301	6,301
<b>Add:</b> Addition during the year	-	-	-
<b>Less:</b> Dividend paid	(131)	-	-
<b>Sub Total</b>	<b>6,170</b>	<b>6,301</b>	<b>6,301</b>

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-16: OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>d. Revaluation Surplus</b>			
Opening Balance/ As on Transition Date	-	-	-
<b>Add:</b> Net fair value gain/(loss) on revaluation of Property, Plant and Equipment during the period	2,233	-	-
<b>Less:</b> Income tax effect thereof	(773)	-	-
<b>Sub Total</b>	<b>1,460</b>	<b>-</b>	<b>-</b>
<b>e. Retained Earnings</b>			
Opening Balance	(502)	(1,315)	(1,107)
<b>Add:</b> Profit/(Loss) during the year	527	832	-
<b>Add:</b> Re-measurement of defined employee benefit plans through OCI Net of Tax	11	(17)	-
<b>Add:</b> Net fair value gain/(loss) on investments during the period	-	-	-
<b>Less:</b> Deferred Tax liability/(assets) on Transition date	-	-	56
<b>Less:</b> Impairment loss on financial assets	-	-	(267)
<b>Add:</b> Restatement of Property, Plant & Equipment Depreciation on Capital Stores	-	-	(13)
<b>Add:</b> Grant on Re-measurement of interest Free Loan	-	-	37
<b>Less:</b> Unrecognized Interest on Interest Free Loan	-	-	(22)
<b>Less:</b> Other Adjustments	-	(2)	1
<b>Sub Total</b>	<b>36</b>	<b>(502)</b>	<b>(1,315)</b>
<b>Total</b>	<b>11,842</b>	<b>9,975</b>	<b>9,162</b>

# Refer Note No.54 for details of nature and purpose of each class of other equity.

### Note-17: BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(i) Non-Current Borrowings</b>			
<b>Secured Loan</b>			
(a) Term Loan From Banks	2,417	1,926	492
(b) Term Loan From others	-	-	-
<b>Unsecured Loan</b>			
(a) Loans from Bank	-	-	-
(b) Loans from Others	-	-	-
(c) Deferred Sales Tax Liability	621	763	928
<b>Total non-current borrowings</b>	<b>3,038</b>	<b>2,689</b>	<b>1,420</b>
<b>(ii) Current Borrowings</b>			
<b>From Banks</b>			
(a) Rupee Loan	3,906	3,029	2,776
(b) Buyers Credit	1,028	1,265	2,030
<b>From Others</b>	<b>248</b>	<b>602</b>	<b>-</b>
<b>Total current borrowings</b>	<b>5,182</b>	<b>4,896</b>	<b>4,806</b>

(a) The Current part of Long Term Borrowings, as above, have been shown under Other financial liabilities (Note No.19), as Current Maturities of long term debt.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-17: BORROWINGS (Contd.)

- (b) The Company's Secured Corporate Loan facilities are secured by First Charge on Fixed Asset (Movable and Immovable) of the Company. The amount is further secured by second charge on the current assets of the Company, both present and future.
- (c) Company's Loan against property from NBFC is secured by Charge against properties of subsidiary companies - Jiwanyoti Vanijya Pvt Ltd and Glitter Agencies Pvt Ltd. The amount is further secured by pledge of company's investment in Equity shares of those companies. Rate of interest of this kind of loan is LFRR (LAP Floating reference rate notified time to time) -7.25% margin. These loans are repayable in Equated Monthly Instalments over a period of 10 years.
- (d) Vehicles loan are secured by charge against the vehicles obtained from those loans. Rate of interest on vehicles loans ranges between 8.5% to 10% p.a. These loans are repayable between 3 to 5 years from date of disbursement.
- (e) The Company's Working Capital facilities from banks are secured by First Charge on the current assets and First Charge on Fixed Assets of unit at Bankura ranking pari passu with the respective Working Capital Bankers. The amount is further secured on second charge basis on fixed assets of the Company (except at Bankura unit) ranking pari passu with the respective Working Capital Bankers.
- (f) The sales tax loan is repayable in annual instalments which range from a maximum of ₹167.47 Lakhs to a minimum of ₹21.70 Lakhs over the period from 1998-1999 to 2012-2013. The amount outstanding is free of interest.
- (g) Refer Note No.55 for details of tenure of pending obligations as covenants of borrowings.

### Note-18: TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-Current	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
(ii) Current	337	295	178
<b>Sub-Total</b>	<b>337</b>	<b>295</b>	<b>178</b>
<b>Grand Total</b>	<b>337</b>	<b>295</b>	<b>178</b>

# Refer Note No. 50 for details of dues to MSME.

### Note-19: OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>i. Non-Current</b>			
Security Deposits From Consignment Agencies	35	35	35
<b>Sub-Total</b>	<b>35</b>	<b>35</b>	<b>35</b>
<b>ii. Current</b>			
Current Maturity of Long term debt	681	779	945
Interest Accrued but not Due	19	39	37
	<b>700</b>	<b>818</b>	<b>982</b>
<b>Total</b>	<b>735</b>	<b>853</b>	<b>1,017</b>

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-20: PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Provision for Employee Benefits	111	143	43
(ii) Provision for Gratuity	358	336	292
(iii) Provisions for Excise Duty on Inventory	-	85	67
<b>Total</b>	<b>469</b>	<b>564</b>	<b>402</b>
Current	149	260	141
Non Current	320	304	261
<b>Total</b>	<b>469</b>	<b>564</b>	<b>402</b>

### Note-21: OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current Liabilities:</b>			
(i) Statutory Dues Payable	687	410	211
(ii) Customer Advances	-	-	-
(iii) Unpaid Dividend Account	1	-	-
(iv) Others	-	-	-
<b>Total</b>	<b>688</b>	<b>410</b>	<b>211</b>

### Note-22: REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Products	15,272	11,862
Sale of Services	66	430
Other Operating Revenue	-	-
<b>Total</b>	<b>15,338</b>	<b>12,292</b>
<b>Sale of Products :</b>		
Gross Sale of Products	15,491	12,756
Less: Discounts	(26)	(21)
Less : Excise Duty	(193)	(873)
<b>Net Sale of Products</b>	<b>15,272</b>	<b>11,862</b>

### Note-23: OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Interest Income :</b>		
Interest Income From Financial Assets measured at Amortized Costs	196	299
<b>Dividend Income :</b>		
Dividend Income From Financial Assets Measured at Amortized Costs	154	-
Dividend Income From Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
<b>Other Items :</b>		
Rental Incomes	-	47
Export Incentives and Benefits	-	3
Unwinding of Interest on Security Deposits	-	-
Revenue Grants	-	-
Other	18	59
<b>Total</b>	<b>368</b>	<b>408</b>

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-24: OTHER GAINS/ (LOSSES)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net gain/(losses) on disposal of Property, Plant & Equipment	64	219
Net foreign exchange gain /(losses)	(21)	(36)
Other Items	-	-
<b>Total</b>	<b>43</b>	<b>183</b>

### Note-25a: COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Material and components consumed</b>		
Opening Stock	2,033	1,934
<b>Add: Material Purchased during the year</b>	<b>3,182</b>	<b>4,813</b>
<b>Less: Closing Stock</b>	<b>(1,717)</b>	<b>(2,033)</b>
<b>Total</b>	<b>3,498</b>	<b>4,714</b>

#### Details of materials consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Aluminium	1,377	2,218
TFS Sheet	1,832	1,945
Others	289	551
<b>Total</b>	<b>3,498</b>	<b>4,714</b>

### Note-25b: PURCHASE OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Tea	5,613	2,489
Others	991	228
<b>Sub-Total</b>	<b>6,604</b>	<b>2,717</b>

### Note-26: CHANGES IN INVENTORIES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Opening Stock</b>		
Finished Goods	568	459
Semi-Finished Goods	2,642	2,004
Scrap Material	177	120
<b>Sub-Total</b>	<b>3,387</b>	<b>2,583</b>
<b>Less:- Closing Stock</b>		
Finished Goods	474	568
Semi-Finished Goods	3,041	2,642
Scrap Material	175	177
<b>Sub-Total</b>	<b>3,690</b>	<b>3,387</b>
<b>INCREASE(-)/DECREASE(+)</b>	<b>(303)</b>	<b>(804)</b>

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-27: OPERATING AND MANUFACTURING EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of Stores and Consumables	184	258
Power and Fuel	332	433
Processing Charges	6	-
Cleaning Charges	97	101
Carriage Inward	46	63
Other Manufacturing Expenses	67	76
<b>Total</b>	<b>732</b>	<b>931</b>

### Note-28: EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages & Bonus	1,079	1,095
Contribution to Provident and other Funds	91	100
Workmen & Staff welfare Expenses	241	388
<b>Total</b>	<b>1,411</b>	<b>1,583</b>

### Note-29: FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Interest on Borrowings:</b>		
On Fixed Loans	312	137
On Others	788	746
Interest on finance lease obligations	-	-
<b>Total</b>	<b>1,100</b>	<b>883</b>

\* Interest to others includes interest on other advances.

### Note-30: OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Repairs &amp; Renewals:</b>		
Plant & Machinery	58	53
Building	10	17
Others	15	5
Lease Rent	119	2
Rental Charges other than lease	15	25
Auditors Remuneration ( <b>Note 31</b> )	10	5
Insurance	5	17
Excise Duty on Inventories	-	18
Rates and related Taxes	14	35
Entry Taxes	-	-
Bank Commission and Banking Administration Charges	97	83
Packing Expenses	119	172
Freight Forwarding & Handling Expenses	289	342

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-30: OTHER EXPENSES (Contd.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Communication Expenses	21	26
Impairment (loss)/gain on financial assets	151	93
Travelling Conveyance	155	141
Miscellaneous Expenses	608	632
Prior period Errors	9	10
Donation	5	-
Corporate Social Responsibility Expenses (Note 32)	-	-
	<b>1,700</b>	<b>1,676</b>

### Note-31: DETAILS OF PAYMENT TO AUDITORS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>As Auditors</b>		
Audit Fees	10	5
Tax Audit Fee	-	-
<b>In other Capacity</b>		
Taxation matters	-	-
Company Law matters	-	-
Certification fees	-	-
Re-imbursement of Expenses	-	-
	<b>10</b>	<b>5</b>

### Note-32: CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Contribution to Charity Foundation	-	-
Outlay on Others CSR Projects	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Amount required to be spent as per Section 135 of the Act	-	-
Amount spent during the year On :		
(1) Construction or Acquisition of Assets	-	-
(2) On purposes other than (1) above	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Excess/(Short) Amount Spend	-	-

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-33 : INCOME TAX EXPENSES

This note provides an analysis of the company's income tax expenses, show amounts that are recognised directly in equity and how the tax expenses is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax position.

#### (a) Income Tax Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Current Tax :</b>		
Current Tax on profits for the year	132	130
Adjustments for current tax of prior periods	-	-
<b>Total Current Tax Expenses</b>	<b>132</b>	<b>130</b>
<b>Deferred Tax :</b>		
Decrease/(Increase) in deferred tax on assets	(30)	(109)
(Decrease)/Increase in deferred tax on liabilities	28	(51)
Adjustments for deferred tax of prior periods	-	-
<b>Total Deferred tax expenses/(benefits)</b>	<b>(2)</b>	<b>(160)</b>
<b>Total Income Tax Expenses</b>	<b>130</b>	<b>(30)</b>
<b>Income Tax Expenses is attributable to :</b>		
Current Tax	132	130
Deferred Tax	(2)	(160)
<b>Total Tax Expenses Charged to SPL</b>	<b>130</b>	<b>(30)</b>
<b>Total Tax Expenses Charged against OCI</b>	<b>778</b>	<b>(8)</b>
<b>Total Tax Expenses</b>	<b>908</b>	<b>(38)</b>

#### (b) Income Tax Expense:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit from continuing operations before income tax expenses	657	802
Profit from discontinuing operations before income tax expenses	-	-
<b>Total Profit from operations</b>	<b>657</b>	<b>802</b>
<b>Tax at the Indian tax rate of 33.063% (2016-17: 34.608%)</b>	<b>217</b>	<b>278</b>
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income :</b>		
(a) Depreciation and Amortization expenses	29	50
(b) Donations and Expenses on non taxable Incomes	2	-
(c) Provision for Gratuity U/S 40(A)(7)	8	15
(d) Filling Fees for capital Increase	-	-
(e) Ind AS Impact:		
Impairment (loss)/gain on financial assets	50	32
Rental Charges other Than lease	5	1
Re-measurement of defined employee benefit plans	(5)	(9)
Restatement of Property, Plant & Equipment Depreciation on Capital Stores	-	1
Interest on Deferred Sales Tax Liability at amortised cost	-	1
(f) Expenses pertaining to previous year	3	-
(g) Profit on sale of fixed assets	(21)	(76)
(h) Amount Received by the Assessors from employees towards PF contributions	-	-
(i) Dividend received from subsidiaries taxable at specified rate	(25)	-
(j) Mat Credit/Debit	(58)	130



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-33 : INCOME TAX EXPENSES (Contd.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(k) Penalty	-	1
(l) Allowable U/S-43B & 35DDA	-	(15)
(m) Other Items adjusted	13	-
(n) Previously unrecognised tax losses recouped to reduce current tax expenses	(86)	(278)
<b>Current Income Tax Expenses</b>	<b>132</b>	<b>130</b>

#### (c) Amount recognised directly in equity

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity:</b>		
<b>Current tax:</b> Share issue transaction cost	-	-
<b>Deferred tax:</b> Convertible bonds	-	-
<b>Total amount recognised directly in equity</b>	<b>-</b>	<b>-</b>

#### (d) Tax losses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Unused tax losses for which no deferred tax has been recognised	-	258
<b>Potential tax benefits @ 33.063%</b>	<b>-</b>	<b>85</b>

#### (e) Unrecognised temporary differences

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Temporary difference relating to investment in subsidiaries for which deferred tax liabilities have not been recognised:</b>		
Undistributed earnings	-	-
Unrecognised deferred tax liabilities relating to the above temporary differences	-	-

### Note-34: MOVEMENT IN DEFERRED TAX ASSETS-INCOME/ (LIABILITY-EXPENSES)

Name of the shareholders	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Through PL	Through OCI	Through PL	Through OCI
Property, Plant and Equipment	35	773	(55)	-
Intangible Assets	-	-	-	-
Employee Benefit Obligation	(28)	5	51	(8)
MAT Credit Entitlement	(58)	-	130	-
Impairment loss/(gain) on financial assets	53	-	34	-
Impact of Deferred Tax Incomes/(Expenses)	2	778	160	(8)

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### NOTE-35: DISCLOSURE UNDER IND AS 19 "EMPLOYEE BENEFITS"

#### Defined Benefit Plan:

The employees' gratuity fund scheme (unfunded) is a defined benefit plan. The Present Value of obligations is determined based on actuarial valuation using the Projected Unit Cost Method.

#### (i) Post Employment Obligations

##### a) Gratuity

Gratuity is paid to employees under the Payment of Gratuity Act 1972 through unfunded scheme. The present value of obligation is determined based on actuarial valuation using projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

#### (ii) Defined contribution plans

The company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary and dearness allowances as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The company also contribute to Employee State Insurance (ESI) at the rate of 4.75% of basic salary as per the regulations. The ESI funds is maintained by appropriate authority of State Government.

The amounts recognised in the balance sheet and movements in the net defined benefits obligation over the year are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>1) Change in Defined Benefit Obligation :</b>		
Defined Benefit Obligation at the beginning of the year	336	292
Interest Cost	25	23
Current Service Cost	25	25
Benefits Paid	(12)	(29)
Actuarial Gain / (Loss) on Obligation	(16)	25
<b>Present Value of obligation as at the end of the year</b>	<b>358</b>	<b>336</b>
<b>2) Change in Fair Value of the Asset</b>		
Fair Value of the plan assets at the beginning of the year	-	-
Investment Income	-	-
Contributions	-	-
Benefits paid	-	-
Return on plan assets, excluding amount recognised in Net Interest Expenses	-	-
<b>Fair Value of Plan assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>3) Net Asset/(Liability) recognised in the Balance Sheet</b>		
Fair Value of the Plan Assets	-	-
Present Value of the obligation as at the end of the year	358	336
<b>Amount recognized in Balance Sheet</b>	<b>(358)</b>	<b>(336)</b>
<b>4) Expenses recognised in the Income Statement</b>		
(under the head contribution to provident fund and other funds)		
Current Service Cost	25	25
Net Interest Income/(cost) on the Net Defined Benefit liability	25	23
<b>Expenses recognised in the statement of Profit and Loss</b>	<b>50</b>	<b>48</b>
<b>5) Other Comprehensive Income</b>		
Expected Return from Plan Asset	-	-
Net Actuarial Gain/(Loss) recognized in the year	(16)	25
<b>Components of defined benefit costs recognised in Other Comprehensive income</b>	<b>(16)</b>	<b>25</b>

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### NOTE-35: DISCLOSURE UNDER IND AS 19 "EMPLOYEE BENEFITS" (Contd.)

The key assumptions used in the calculations are as follows :-

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Discount Rate	7.60% p.a.	7.35% p.a.	7.75% p.a.
Rate of increase in salaries	5.00% p.a.	5.00% p.a.	5.00% p.a.
Mortality	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate
Attrition Rate	2.00% p.a.	2.00% p.a.	2.00% p.a.

### Sensitivity Analysis

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	389	331	366	310
% change compared to base due to sensitivity	8.59%	-7.56%	8.82%	-7.71%
Salary Growth (-/+1%)	330	390	310	366
% change compared to base due to sensitivity	-8.00%	8.97%	-7.76%	8.72%
Attrition Rate (-/+50%)	353	363	331	341
% change compared to base due to sensitivity	-1.52%	1.38%	-1.59%	1.43%
Mortality Rate (-/+10%)	357	359	335	337
% change compared to base due to sensitivity	-0.33%	0.33%	-0.35%	0.34%

### Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

#### a. Interest Rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

#### b. Liquidity Risk :

This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

#### c. Salary Escalation Risk :

The present value of the defined benefit plans calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

#### d. Demographic Risk :

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

#### e. Regulatory Risk :

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-36: FAIR VALUE MEASUREMENTS

#### (i) Financial instruments by category:

(₹ in Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Investments:									
Equity instruments	-	-	4,319	-	-	4,237	-	-	3,239
Trade receivables	-	-	5,054	-	-	3,825	-	-	3,579
Cash and cash equivalents	-	-	224	-	-	148	-	-	77
Loans	-	-	847	-	-	1,467	-	-	1,793
Derivative financial assets	-	-	-	-	-	-	-	-	-
Others	-	-	6	-	-	-	-	-	-
<b>Total financial assets</b>	-	-	<b>10,450</b>	-	-	<b>9,677</b>	-	-	<b>8,688</b>
<b>Financial liabilities</b>									
Borrowings	-	-	8,220	-	-	7,585	-	-	6,226
Derivative financial liabilities	-	-	-	-	-	-	-	-	-
Trade payables	-	-	337	-	-	295	-	-	178
Other financial liabilities	-	-	735	-	-	853	-	-	1,017
<b>Total financial liabilities</b>	-	-	<b>9,292</b>	-	-	<b>8,733</b>	-	-	<b>7,421</b>

#### (ii) Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value, and
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the Ind AS 113 "Fair Value Measurements". An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2018

(₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments at FVPL</b>				
Equity instruments	-	-	-	-
Mutual funds	-	-	-	-
<b>Financial investments at FVOCI</b>				
Quoted equity investments	-	-	-	-
Unquoted equity investments	-	-	-	-
<b>Derivatives</b>				
Foreign exchange forward contracts	-	-	-	-
Foreign currency options	-	-	-	-
Interest rate swaps	-	-	-	-
<b>Total</b>	-	-	-	-

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-36: FAIR VALUE MEASUREMENTS (Contd.)

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2017 (₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments at FVPL</b>				
Equity instruments	-	-	-	-
Mutual funds	-	-	-	-
<b>Financial investments at FVOCI</b>				
Quoted equity investments	-	-	-	-
Unquoted equity investments	-	-	-	-
<b>Derivatives</b>				
Foreign exchange forward contracts	-	-	-	-
Foreign currency options	-	-	-	-
Interest rate swaps	-	-	-	-
<b>Total</b>	-	-	-	-

Financial assets and liabilities measured at fair value - recurring fair value measurements At April 1, 2016 (₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments at FVPL</b>				
Equity instruments	-	-	-	-
Mutual funds	-	-	-	-
<b>Financial investments at FVOCI</b>				
Quoted equity investments	-	-	-	-
Unquoted equity investments	-	-	-	-
<b>Derivatives</b>				
Foreign exchange forward contracts	-	-	-	-
Foreign currency options	-	-	-	-
Interest rate swaps	-	-	-	-
<b>Total</b>	-	-	-	-

**Level 1 :** This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments(including bonds) which are traded in the stock exchanged is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2 :** Fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument as observable, the instrument is included in level 2.

**Level 3 :** If one or more of the significant inputs is not based on observable data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification assets.

(iii) As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:

1. Trade receivables
2. Cash and cash Equivalents
3. Loans
4. Borrowings
5. Trade payables
6. Capital Creditors
7. Other payables

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-37: FINANCIAL RISK MANAGEMENT

The company's some portion of activities are expose to variety of financial risks i.e. credit risk and liquidity risk. The company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The company's financial instruments (excluding receivables from related parties) are influenced mainly by the individual characteristics of each customer. The company's exposure to credit risk is concentration of risk from the top few customers and the demographics of the customers.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and other financial instruments, financial assets measured at amortised cost.	Ageing analysis Credit rating.	Diversification of bank deposits, credit limits and letters of credit.
Liquidity risk	Borrowing and other liabilities.	Rolling cash flow forecasts.	Availability of committed credit lines and borrowing facilities.

#### (A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily trade receivables from customers other than government entities .These Trade receivables are typically unsecured and are derived from revenue earned from domestic and foreign customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess impairment loss or gain. the company uses a matrix to compute the expected credit loss allowance for trade receivable .

#### (i) Credit risk management

Credit risk is managed on each instrument basis. For Banks and financial institutions, only high rated banks /institutions are accepted. For other financial instruments, the company assess and maintain an internal credit rating system. The finance function consists of a separate team who assess and maintain internal credit rating system. Internal credit rating is performed on a company level basis for each class of financial instrument with different characteristics.

#### (ii) Provision for expected credit losses

##### Expected credit loss for trade receivables under simplified approach

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Gross Carrying amount	5,678	4,298	3,959
Expected loss rate	11%	11%	10%
Expected credit losses (Loss allowance provision)	-624	-473	-380
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>5,054</b>	<b>3,825</b>	<b>3,579</b>

#### Significant estimates and judgements

##### Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### (B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-37: FINANCIAL RISK MANAGEMENT (Contd.)

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in accordance with practice and limits set by the company. These limits vary by locations to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### (i) Sensitivity- Interest rate risk exposure

Profit or loss sensitive to higher/ lower of interest expense from borrowings as a result of changes in interest rates:

Particulars	Impact on profit after tax (*)	
	As at March 31, 2018	As at March 31, 2017
Interest rates- increase by 50 basis points (50 bps)	-2.25%	-1.59%
Interest rates- decrease by 50 basis points (50 bps)	2.25%	1.59%

\* Holding all other variables constant.

#### (ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long term borrowings with variable rates, which expose the group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31 2017 and March 31 2016, the company's borrowings at variable rate were mainly denominated in INR.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates,

#### (iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss .

To manage its price risk arising from investments equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group

Profit for the period would increase/ decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value through other comprehensive income.

### Note-38: CAPITAL MANAGEMENT

#### (a) Risk management

The company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return on capital to shareholders or issue new shares. The company monitors capital using gearing ratio, which is net debt divided by total Equity. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of reporting period was as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Net Debt	3,718	3,468	2,365
Total Equity	12,497	10,630	9,817
<b>Net debt to Equity Ratio</b>	<b>0.30</b>	<b>0.33</b>	<b>0.24</b>



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-38: CAPITAL MANAGEMENT (Contd.)

(₹ in Lakhs)		
(b) Dividends		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>(i) Equity shares:</b>		
Final dividend for the year ended 31.03.2018 of ₹ 0.20 (31.03.2017 ₹ NIL) per fully paid share.	131	-
Interim dividend for the year ended 31.03.2018 of ₹ NIL (31.03.2017 ₹ NIL) per fully paid share.	-	-
<b>(ii) Dividends not recognised at the end of the reporting period:</b>	-	-
In addition to the above dividends, since year end the directors have recommended the payment of final dividend of ₹ NIL per fully paid equity share (31.03.2017 ₹ NIL). This proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting.	-	-

### NOTE-39: EARNINGS PER SHARE (EPS)

(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
i) Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders (Amount in INR Lakhs)	527	832
ii) Weighted Average number of equity shares used as denominator for calculating EPS (Nos.)	6,55,34,050	6,55,34,050
iii) Face Value per Equity Share (₹)	1.00	1.00
iv) Basic and Diluted Earnings per share (₹)	<b>0.80</b>	<b>1.27</b>

### NOTE-40: FOREIGN EXCHANGE

(₹ in Lakhs)		
Earnings in foreign exchange	As at March 31, 2018	As at March 31, 2017
i) FOB Value of Exports (including freight realised)	622	206
ii) Interest income from subsidiary company	19	33
iii) Dividend income	154	-
<b>Total</b>	<b>795</b>	<b>239</b>

(₹ in Lakhs)		
Expenditure in foreign currency	As at March 31, 2018	As at March 31, 2017
i) Interest and finance charges	10	17
ii) Other Expenses	38	32
<b>Total</b>	<b>48</b>	<b>49</b>

(₹ in Lakhs)		
CIF value of imports	As at March 31, 2018	As at March 31, 2017
i) Capital Goods	-	179
ii) Raw materials and other purchases	1,940	2,176
<b>Total</b>	<b>1,940</b>	<b>2,355</b>

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### NOTE-41: CONTINGENT LIABILITY

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
i) Guarantees given by Company's Bankers on behalf of the Company:		
a) Guarantees issued in favour of electricity department and other agencies.	34	40
ii) Claims against the Company not acknowledged as debts:		
a) Service Tax	34	43
b) Excise Duty demand under appeal	1,047	549
c) Entry Tax	71	71
d) Others	2	2
iii) Corporate Guarantees given by Company.	-	-
<b>Total</b>	<b>1,188</b>	<b>705</b>

- a. However as per management perception, the above liabilities will not devolve upon the company in future.
- b. The nine-member bench of Hon'ble Supreme Court vide Order dated 11-11-2016 passed in the case of Jindal Stainless Limited & Others v. State of Haryana & Others [Civil Appeal No. 3453 OF 2002] held the 'concept of Discriminatory Taxes' as the parameter for determining as to whether the levy of Entry Tax is violate of Article 301 of Constitution of India. In terms with the opinion taken by us from Legal Counsel, the levy of Entry Tax in the State of West Bengal is DICRIMINATORY in nature and therefore the levy may not uphold in the court of law. Hence, the provision made by the Company for Entry Tax has been reversed and liability of Entry Tax has been shown in the contingent liability.

### NOTE-42: CAPITAL COMMITMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
i) Estimated value of contracts in capital account remaining to be executed.	-	-

### NOTE-43: DISCLOSURES AS PER IND AS 108 "OPERATING SEGMENTS"

Based on the policy set out under Significant Accounting Policy, the company follows "Management Approach" for the purpose of deciding operating segments. The operating results of each major geographical areas are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the company has decided to consider major geographical areas as its operating segments.

#### (i) Operating Segment Revenues:

(₹ in Lakhs)

Operating Segments	As at March 31, 2018	As at March 31, 2017
United Arab Emirates (UAE)	684	23
Bangladesh	53	-
Liberia	11	13
Burma	119	33
Malaysia	30	-
Nigeria	16	72
Singapore	13	59
Fiji	-	4
Sri Lanka	-	3
India	14,412	12,085
<b>Total</b>	<b>15,338</b>	<b>12,292</b>

#### (ii) Operating Segment Assets:

The operating facilities of the company are commonly employed for domestic business; hence it is not possible to report segment assets and capital expenditure by geographical segment.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### NOTE-43: DISCLOSURES AS PER IND AS 108 "OPERATING SEGMENTS" (Contd.)

#### (iii) Operating Segment Results:

The operating facilities of the company are commonly employed for domestic business; hence it is not possible to report segment expenditure by geographical segment. Consequently, even if the discrete segment revenues are reported, segment results are not disclosed.

### Note-44: ADDITIONAL DISCLOSURES AS PER IND AS 108 "OPERATING SEGMENTS"

#### (i) Revenue From Customers Exceeding 10% of Total revenue:

As per Para 34 of Ind AS 108, if revenues from transactions with a single external customer amount to 10 per cent or more of an entity's revenues, the company is required to disclose that fact, the total amount of revenues from each such customer, and the identity of the segment or segments reporting the revenues. The details of such disclosure is as below :

Customer Name	Identity of Segment	% of Total Revenues	
		As at March 31, 2018	As at March 31, 2017
Darjeeling Organic Tea Estates Private Limited	India	21%	-
UNO Overseas	India	13%	-
Bush Tea Co. Private Limited	India	-	21%
Zenith Metalik Alloys Limited	India	-	13%

#### (ii) Extent of Reliance on Major Customers:

Extent of Reliance on Major Customers of the company can be depicted by assessing their sales chunk compared to total revenue of the operation. The percentage of group of major customer to its total revenue is as below :

Customer Name	% of Total Revenues	
	As at March 31, 2018	As at March 31, 2017
Top 10 Customers	63%	53%
Top 25 Customers	71%	65%

### NOTE-45: RELATED PARTY DISCLOSURE AS PER Ind AS 24

#### (i) List of Related parties:

##### (a) Associates and Joint Arrangements:

The company do not have any associates and joint arrangements.

##### (b) Subsidiaries:

Name	Country	Acquired in Financial Year	% of Holding
(i) Euroasian Ventures FZE	UAE	2011-12	100%
(ii) Euroasian Steels LLC (step-down subsidiary of above (i))	Georgia	2011-12	88%
(iii) Glitter Agencies Private Limited	India	2016-17	100%
(iv) Jiwanjyoti Vanijya Private Limited	India	2016-17	100%
(v) BK Manaksia Nigeria Limited	Nigeria	2017-18	100%

##### (c) Key Managerial Personnel:

Name	Designation
Mr. Basant Kumar Agrawal	Chairman cum Managing Director
Mr. Navneet Manaksia	Whole-time Director
Mr. Aditya B. Manaksia	Whole-time Director
Mr. Sandeep Kumar Sultania	Chief Financial Officer

The Company Secretary (Ms. Surbhi Shah) has not been considered as related party as she is not having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### NOTE-45: RELATED PARTY DISCLOSURE AS PER Ind AS 24 (Contd.)

(d) Close Family members of Key Managerial Personnel:

Name	Relationships
Mrs. Saroj Devi Agrawal	Wife of Basant Kumar Agrawal

(e) Entities where Key Managerial Personnel has significant influence:

Name	Relationships
Arena Machineries Limited	KMP has significant influence.
Kohinoor Commodeal Private Limited	KMP has significant influence.

(II) Balances and Transactions with Related Parties:

(₹ in Lakhs)

Related Parties	Nature of Transactions	Net Transaction During the Period	
		As at March 31, 2018	As at March 31, 2017
Mr. Basant Kumar Agrawal	Remuneration Paid	84	69
Mr. Navneet Manaksia		54	36
Mr. Aditya B. Manaksia		54	38
Mr. Sandeep Kumar Sultania		55	35
Mr. Amit Chakraborty		-	14
Mr. Ajay Kumar Chakraborty	Director Sitting Fees	-	-
Dr. Kali Kumar Chaudhuri		-	-
Mrs. Smita Khaitan		1	-
Mr. Amitabha Guha		-	-
Arena Machineries Limited	Purchase of Goods or Services	61	145
Euroasian Ventures FZE		-	10
Kohinoor Commodeal Private Limited		75	-
Arena Machineries Limited	Sale of Goods or Services	99	264
Euroasian Ventures FZE		668	-
Euroasian Steels LLC.		32	12
Euroasian Ventures FZE	Income from Technical Know How Fees	466	-
Glitter Agencies Private Limited	Rent Security Deposits Given	-	450
Jiwanjyoti Vanijya Private Limited		-	450
Kohinoor Commodeal Private Limited		295	-
Glitter Agencies Private Limited	Investments in Equity Shares	-	499
Jiwanjyoti Vanijya Private Limited		-	499
BK Manaksia Nigeria Limited		82	-
Euroasian Ventures FZE	Loan Given	111	49
Euroasian Ventures FZE	Interest Income	19	33
Euroasian Ventures FZE	Dividend Income	154	-
Glitter Agencies Private Limited	Rent Paid	7	2
Jiwanjyoti Vanijya Private Limited		7	2
Kohinoor Commodeal Private Limited		75	-
Mr. Aditya B. Manaksia		5	-

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### NOTE-45: RELATED PARTY DISCLOSURE AS PER Ind AS 24 (Contd.)

Name	Nature of Transactions	Net Transaction During the Period		
		As at March 31, 2018	As at March 31, 2017	As at April 1 2016
<b>(a) Investments in Equity Shares:</b>				
(i) Euroasian Ventures FZE	Investments in Subsidiary	3,239	3,239	3,239
(ii) Glitter Agencies Private Limited	Investments in Subsidiary	499	499	-
(iii) Jiwanjyoti Vanijya Private Limited	Investments in Subsidiary	499	499	-
(iv) BK Manaksia Nigeria Limited	Investments in Subsidiary	82	-	-
<b>(b) Inter-corporate Loans and Deposits:</b>				
(i) Glitter Agencies Private Limited	Rent Security Deposits	450	450	-
(ii) Jiwanjyoti Vanijya Private Limited	Rent Security Deposits	450	450	-
(iii) Kohinoor Commodéal Private Limited	Rent Security Deposits	295	-	-
(iv) Euroasian Ventures FZE	Loans Receivable	118	864	799
<b>(c) Trade Receivables:</b>				
(i) Arena Machineries Limited	Trade Receivable	-	-	332
(ii) Euroasian Steels LLC	Trade Receivable	45	12	-
(ii) Euroasian Ventures FZE	Trade Receivable	586	-	

- Transactions have taken place on arm's length basis.
- No amount in respect of debts pertaining to the related parties have been written off or written back during the year.
- No provision for doubtful debts is required to be made for the year in respect of debt due from related parties.

### NOTE-46: FINANCIAL HEDGING INSTRUMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i) Foreign currency payables covered by natural hedge from receivable of Exports & Loans.	-	-	-
ii) Foreign currency exposure Receivable which are not hedged.	-	-	-
iii) For hedging Currency Related Risks :			
Forward Contracts - Outstanding Nominal Value*	-	-	-

\* No hedging instruments was outstanding at the end of both current as well as previous financial year.

### NOTE-47: ASSETS PROVIDED AS SECURITY

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current Assets:</b>			
<b>Financial Assets</b>			
Trade Receivables	5,054	3,825	3,579
Other Financial Assets	-	-	-
<b>Non Financial Assets</b>			
Inventories	5,684	5,708	4,892
<b>Total Current assets provided as security</b>	<b>10,738</b>	<b>9,533</b>	<b>8,471</b>
<b>Non Current assets:</b>			
Property, Plant and Equipment	5,396	3,054	3,190
Intangible Assets	37	48	59
Investments	998	998	-
<b>Total Non - Current assets provided as security</b>	<b>6,431</b>	<b>4,100</b>	<b>3,249</b>
<b>Total Assets provided as Security</b>	<b>17,169</b>	<b>13,633</b>	<b>11,720</b>

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### NOTE-48: OBLIGATION ON LONG-TERM, NON-CANCELLABLE OPERATING LEASES PAYABLES AS PER AGREEMENT

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Future minimum lease payable</b>			
Not Later than 1 year	104	14	-
Later than 1 year and not later than 5 years	418	58	-
Later than 5 year	1,141	780	-
<b>Total</b>	<b>1,663</b>	<b>852</b>	<b>-</b>

### NOTE-49: RECOGNITION OF CORPORATE GUARANTEE AS FINANCIAL LIABILITY

Financial guarantee are contractual right of the lender to receive cash from the guarantor, and a corresponding contractual obligation of the guarantor to pay the lender, if the borrower defaults. The contractual right and obligation exist because of a past transaction or event (assumption of the guarantee), even though the lender's ability to exercise its right and the requirement for the guarantor to perform under its obligation are both contingent on a future act of default by the borrower. A contingent right and obligation meet the definition of a financial asset and a financial liability, even though such assets and liabilities are not always recognised in the financial statements. Based on the measurement principles laid down under Ind AS 109 "Financial Instrument :Recognition and Measurement", the fair value of all those financial guarantee contracts reasonable below to the materiality threshold limit set by the company. Accordingly the entity has made appropriate disclosure in Note 41 without additionally recognising any financial assets or liability.

### NOTE-50: MICRO, SMALL AND MEDIUM (MSME) DUES DISCLOSURE

Disclosure of payables to MSME vendors as defined under the "Micro, Small and Medium Enterprise Development Act,2006" is based on the information available with the company regarding the status of registration of such vendors under the said Act, as per the information received from them on requests made by the company .

There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues which are outstanding for a period of more than 45 days as at the balance sheet date. The above information and that given under current liabilities regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

### NOTE-51: ESTIMATED USEFUL LIVES OF PROPERTY, PLANT & EQUIPMENT (PPE)

Financial Classification	Nature	Useful Lives	
		As per Management Estimate	As per Schedule-II of Companies Act 2013
Freehold Building	Building and Factory Sheds	10 to 20	30
	Staff Quarters	60	60
	Tube well/Bore well/Boundary Wall	30	5
	Road	10	10
Furniture & Fixtures	Electrical Installation	10 to 15	10
	Furniture & Fixtures	10	10
Office Equipment	Computer Devices	3 to 10	3
	Computer Network	6	6
	Office Equipment	5 to 15	5
Plant & Machinery	Air Condition	5 to 15	15
	Plant & Machinery	1 to 15	15
Vehicles	Cycle	10	1
	Vehicle other than on Hire	8	8
	Vehicle on Hire	6	6

# The useful life has remained constant for transition, comparative and reporting period.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### NOTE-52: REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Particulars	Revaluation of Land (Unit-wise)				
	Hyderabad	Belur	Silvassa	Liluah	Bankura
Date of Revaluation Report	March 11, 2017	October 24, 2017	March 31, 2017	July 27, 2017	June 28, 2017
Effective date of the revaluation	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
Revaluation by	M/s R.K. Associates Valuers & Techno Engineering Consultants Pvt. Ltd.	NANDI and Associates	M/s R.K. Associates Valuers & Techno Engineering Consultants Pvt. Ltd.	NANDI and Associates	M/s R.K. Associates Valuers & Techno Engineering Consultants Pvt. Ltd.
Carrying amount before revaluation	2	2	5	9	9
Revaluation Amount	849	234	273	866	11
Carrying amount after revaluation	851	236	278	875	20
Depreciation	Land was not considered as a depreciable asset.	Land was not considered as a depreciable asset.	Land was not considered as a depreciable asset.	Land was not considered as a depreciable asset.	Land was not considered as a depreciable asset.
Fair value Hierarchy	II	II	II	II	II
Valuation techniques	Comparable Market Sales Approach	Land Development Method	Land Development Method	Land Development Method	Comparable Market Sales Approach

### NOTE-53: NATURE AND PURPOSE OF RESERVES DISCLOSED UNDER OTHER EQUITY

Particulars	Purpose
(a) Capital Reserve	Capital Reserve was created in the financial year 2014-15 as a result of cancellation of shares.
(b) General Reserve	General Reserve has been created to comply with requirements of erstwhile Company's Act 2013 and dividend for the financial year 2016-17 was declared during financial year 2017-18 out of this reserve.
(c) Retained Earnings	Retained Earnings contains the balance of retained earnings to carry forward. It is fully distributable and shown as part of shareholders' reserves on the balance sheet date.
(d) Securities Premium Reserve	Securities Premium Reserve has been created for issue of equity shares.
(e) Revaluation Reserves	Revaluation reserves was created through Other Comprehensive Income (OCI) during financial year 2017-18 as a results of first-time revaluation of Land.

### NOTE-54: DETAILS OF INVESTMENTS IN SUBSIDIARIES

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	FVPL	FVOCI	FVPL	FVOCI	FVPL	FVOCI
(a) Euroasian Ventures FZE	-	3,239	-	3,239	-	3,239
(b) Glitter Agencies Private Limited	-	499	-	499	-	-
(c) Jiwanyoti Vanijya Private Limited	-	499	-	499	-	-
(d) BK Manaksia Nigeria Limited	-	82	-	-	-	-
<b>Total Investments</b>	<b>-</b>	<b>4,319</b>	<b>-</b>	<b>4,237</b>	<b>-</b>	<b>3,239</b>

### NOTE-55: COVENANTS OF BORROWINGS

Details of Repayment Schedule, Interest Rate of Borrowings as on March 31, 2018 :

Particulars of Loans	Repayment Tenure	Rate of Interest
(a) HDFC Vehicle Loan-45301374	47 EMI	8.51%
(b) HDFC Vehicle Loan-44604703	23 EMI	9.50%
(c) HDFC Vehicle Loan-44604996	22 EMI	9.50%



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### NOTE-55: COVENANTS OF BORROWINGS (Contd.)

Particulars of Loans	Repayment Tenure	Rate of Interest
(d) HDFC Vehicle Loan-47472636	26 EMI	9.25%
(e) HDFC Vehicle Loan-47474049	26 EMI	9.25%
(f) HDFC Vehicle Loan-47472193	26 EMI	9.25%
(g) Kotak Mahindra Vehicle Loan-11656161	3 EMI	9.73%
(h) Indiabulls Term Loan-HHLKLM00311157	106 EMI	11.50%
(i) Indiabulls Term Loan-HHLKLM00310690	106 EMI	11.50%
(j) Indiabulls Term Loan-HHEKLM00313016	107 EMI	11.50%
(k) Indiabulls Term Loan-HHEKLM00313395	108 EMI	11.50%
(l) ICICI Bank Term-Loan	16 Quarterly	10.75%

#### Details of Repayment Schedule, Interest Rate of Borrowings as on March 31, 2017 :

Particulars of Loans	Repayment Tenure	Rate of Interest
(a) HDFC Vehicle Loan-45301374	59 EMI	8.51%
(b) HDFC Vehicle Loan-44604703	35 EMI	9.50%
(c) HDFC Vehicle Loan-44604996	34 EMI	9.50%
(d) Kotak Mahindra Vehicle Loan-11656161	15 EMI	9.73%
(e) SBI Long-Term Loan	2 Quarterly	11.00%
(f) Indiabulls Term Loan-HHLKLM00311157	118 EMI	11.50%
(g) Indiabulls Term Loan-HHLKLM00310690	118 EMI	11.50%
(h) Indiabulls Term Loan-HHEKLM00313016	119 EMI	11.50%
(i) Indiabulls Term Loan-HHEKLM00313395	120 EMI	11.50%

#### Details of Repayment Schedule, Interest Rate of Borrowings as on March 31, 2016 :

Particulars of Loans	Repayment Tenure	Rate of Interest
(a) Kotak Mahindra Vehicle Loan-11656161	27 EMI	9.73%
(b) SBI Long-Term Loan	4 Quarterly	10.50%

### Note-56: FIRST-TIME ADOPTION OF IND AS

The Significant Accounting Policies set out in Note 2 has been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance sheet at April 1, 2016 (transition date). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemption Availed

##### 1. Deemed Cost

Ind As 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant & Equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly the company has elected to measure all of its Property, Plant & Equipment, Intangible assets at their previous GAAP carrying value.

##### 2. Designation of previously recognised financial instruments.

Ind AS 101 allows an entity to designate investments in equity instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-56: FIRST-TIME ADOPTION OF IND AS (Contd.)

#### B. Mandatory Exceptions

##### 1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments (other than investments in subsidiaries classified at cost) arrived at FVTPL or FVOCI; and
- Impairment loss/gain on Financial assets.

##### 2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

##### 3. De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

#### C. Transition to Ind AS -Reconciliation

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- a) Reconciliation of Balance sheet as at April 1, 2016 and March 31, 2017.
- b) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017.
- c) Reconciliation of Summary of Cash Flows for the year ended March 31, 2017.
- d) Reconciliation of Equity as at April 1, 2016 and March 31, 2017.

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-56: FIRST-TIME ADOPTION OF IND AS (Contd.)

#### I. Reconciliations of Balance Sheet as at April 1, 2016 and March 31, 2017

##### (a) Reconciliations of Balance Sheet as at April 1, 2016

(₹ in Lakhs)

Particulars	Notes	As at	Adjustments	As at
		April 1, 2016 (Previous GAAP)		April 1, 2016 (Ind AS)
<b>I. ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and Equipment	1	3,162	28	3,190
(b) Capital work-in-progress		374	-	374
(c) Intangible assets		59	-	59
(d) Intangible assets under development		-	-	-
(e) Financial Assets				
(i) Investments		3,239	-	3,239
(ii) Trade receivables		-	-	-
(iii) Loans	4	74	(7)	67
(iv) Other financial assets		-	-	-
(f) Deferred tax assets (net)		-	-	-
(g) Other non-current assets	4	-	7	7
<b>2. Current assets</b>			-	
(a) Inventories	1	4,935	(43)	4,892
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	3	3,846	(267)	3,579
(iii) Cash & cash equivalents	4	77	(2)	75
(iv) Bank balances other than (iii) above		-	-	-
(v) Loans	7	2,619	(893)	1,726
(vi) Other financial assets	4	-	2	2
(c) Current Tax Assets (Net)	4	-	144	144
(d) Other current assets	4	-	750	750
<b>3. Non-current assets held for disposal</b>	<b>4</b>	<b>-</b>	<b>2</b>	<b>2</b>
<b>TOTAL ASSETS</b>		<b>18,385</b>	<b>(279)</b>	<b>18,106</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1. Equity</b>				
(a) Equity Share Capital		655	-	655
(b) Other Equity	9	9,370	(208)	9,162
<b>2. Liabilities</b>				
<b>(i) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	6	1,436	(15)	1,420
(ii) Trade payables		-	-	-
(iii) Other financial liabilities		35	-	35
(b) Provisions	4	292	(31)	261
(c) Deferred tax liabilities (net)	2	311	(56)	255
(d) Other non-current liabilities		-	-	-
<b>(ii) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		4,806	-	4,806
(ii) Trade payables		178	-	178
(iii) Other financial liabilities	4	1,192	(211)	982
(b) Other current liabilities	4	110	101	211
(c) Provisions	4	-	141	141
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,385</b>	<b>(279)</b>	<b>18,106</b>

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-56: FIRST-TIME ADOPTION OF IND AS (Contd.)

#### (b) Reconciliations of Balance Sheet as at March 31, 2017

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2017	Adjustments	As at March 31, 2017
		(Previous GAAP)		(Ind AS)
<b>I. ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and Equipment	1	3,028	26	3,054
(b) Capital work-in-progress		450	-	450
(c) Intangible assets		48	-	48
(d) Intangible assets under development		-	-	-
(e) Financial Assets				
(i) Investments		4,237	-	4,237
(ii) Trade receivables		-	-	-
(iii) Loans	4	974	(601)	373
(iv) Other financial assets		-	-	-
(f) Deferred tax assets (net)		-	-	-
(g) Other non-current assets	4	-	606	606
<b>2. Current assets</b>				
(a) Inventories	1	5,751	(43)	5,708
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	3	4,185	(360)	3,825
(iii) Cash & cash equivalents	4	148	(58)	90
(iv) Bank balances other than (iii) above		-	-	-
(v) Loans	7	1,981	(888)	1,094
(vi) Other financial assets	4	-	58	58
(c) Current Tax Assets (Net)	4	-	82	82
(d) Other current assets	4	-	799	799
<b>3. Non-current assets held for disposal</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>20,802</b>	<b>(379)</b>	<b>20,424</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1. Equity</b>				
(a) Equity Share Capital		655	-	655
(b) Other Equity	9	10,065	(90)	9,975
<b>2. Liabilities</b>				
<b>(i) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	6	2,701	(13)	2,689
(ii) Trade payables		-	-	-
(iii) Other financial liabilities	4	-	35	35
(b) Provisions	4	336	(33)	304
(c) Deferred tax liabilities (net)	2	363	(276)	87
(d) Other non-current liabilities		35	(35)	-
<b>(ii) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		4,896	-	4,896
(ii) Trade payables		295	-	295
(iii) Other financial liabilities	4	-	818	818
(b) Other current liabilities	4	228	182	410
(c) Provisions	4	1,228	(967)	260
<b>TOTAL EQUITY and LIABILITIES</b>		<b>20,802</b>	<b>(379)</b>	<b>20,424</b>

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-56: FIRST-TIME ADOPTION OF IND AS (Contd.)

#### (c). Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Notes	As at	Adjustments	As at
		March 31, 2017 (Previous GAAP)		March 31, 2017 (Ind AS)
<b>Income</b>				
I. Revenue from Operations	6	12,295	(3)	12,292
II. Other Incomes	4	625	(217)	408
III. Other Gains/(Losses)	4	-	183	183
<b>Total Income</b>		<b>12,920</b>	<b>(37)</b>	<b>12,883</b>
<b>IV. Expenses</b>				
(a) Cost of Materials Consumed		4,714	-	4,714
(b) Change in Inventories (Increase)/decrease		(804)	-	(804)
(c) Purchase of Stock In Trade		2,717	-	2,717
(d) Depreciation and Amortization expenses	1	378	3	381
(e) Operating And Selling Expenses	4	-	931	931
(f) Employee Benefit Expenses	5	1,609	(26)	1,583
(g) Finance cost	4	963	(80)	883
(h) Other Expenses	4	2,429	(753)	1,676
<b>Total expenses</b>		<b>12,006</b>	<b>74</b>	<b>12,081</b>
<b>V. Profit Before exceptional items and tax</b>		<b>915</b>	<b>(112)</b>	<b>802</b>
Exceptional items	4	(37)	37	-
<b>VIII. Profit Before Taxes</b>		<b>878</b>	<b>(75)</b>	<b>802</b>
<b>IX. Provision for Taxes</b>				
(a) Current Tax		130	-	130
(b) Deferred Tax	2	52	(211)	(160)
<b>X. Profit (Loss) for the Period</b>		<b>696</b>	<b>136</b>	<b>832</b>
<b>XI. Other Comprehensive Income</b>				
<b>A (i) Items that will not be reclassified to profit or loss :</b>				
(a) Changes in investments in equity shares carried at Fair Value through OCI		-	-	-
(b) Re-measurement of defined employee benefit plans	5	-	(25)	(25)
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss :</b>				
- on Revaluation Surplus on Property, Plant & Equipment		-	-	-
- on Re-measurement of defined employee benefit plans	5	-	8	8
<b>B (i) Items that will be reclassified to profit or loss:</b>				
(a) Changes in investments other than equity shares carried at Fair Value through OCI (FVOCI)		-	-	-
<b>(ii) Income tax relating to items that will be reclassified to profit or loss :</b>				
		-	-	-
<b>XII. Total Other comprehensive Income after tax</b>		<b>-</b>	<b>(17)</b>	<b>(17)</b>
<b>XIII. Total comprehensive income for the period</b>		<b>696</b>	<b>120</b>	<b>815</b>

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-56: FIRST-TIME ADOPTION OF IND AS (Contd.)

#### (d) Reconciliation of Statement of Cash Flows as at March 31, 2017

(₹ in Lakhs)

Particulars	As at March 31, 2017 (Previous GAAP)	Adjustments	As at March 31, 2017 (Ind AS)
Net Cash Inflow/ (Outflow) from Operating Activities	1,365	(41)	1,324
Net Cash Inflow/ (Outflow) from Investing Activities	(788)	(906)	(1,694)
Net Cash Inflow/ (Outflow) from Financing Activities	(506)	891	385

#### (e) Reconciliation of Equity as at April 1, 2016 and March 31, 2017

(₹ in Lakhs)

Particulars	Note No	As at March 31, 2017	As at April 1, 2016
Total equity as per previous GAAP		10,720	10,025
Deferred taxes under balance sheet approach	2	276	56
Grant on Re-measurement of interest Free Loan	6	37	37
Unrecognized Interest on Interest Free Loan	7	(25)	(22)
Restatement of Property, Plant and Equipment	1	(16)	(13)
Unwinding of Interest on Security Deposits	7	(2)	-
Impairment Losses on Financial Assets	3	(360)	(267)
Other Adjustments	4	-	1
<b>Total equity as per Ind AS</b>		<b>10,630</b>	<b>9,817</b>

### NOTES TO FIRST-TIME ADOPTION

#### 1. Property, Plant and Equipment :

As per Ind AS 16 "Property, Plant and Equipment", items such as Spare Part, Stand-by Equipment and Servicing equipment are recognised as Property, Plant and Equipment when they meet the definition of "Property, Plant and Equipment". The Company has reclassified some major items of stores and spares into Property, Plant and Equipment as on the date of transition and its accumulated depreciation impact from the date when such assets were available for use charged to opening retained earnings as on the date of transition as follows:

- (i) Original Cost of major spares re-classified into "Property, Plant and Equipment": ₹ 43 Lakhs.
- (ii) Accumulated depreciation adjusted against retained earnings: ₹ 13 Lakhs.
- (iii) Additional annual depreciation on above: ₹ 2 Lakhs.

#### 2. Deferred Taxes

Under previous GAAP, deferred taxes were recognised based on Profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS 12 "Income Taxes", deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Consequently the impact is as below :

- (a) As on Transition date i.e. April 1, 2016: ₹ 55.82 Lakhs of deferred tax assets.
- (b) As on Comparative date i.e. March 31, 2017: ₹ 276.23 Lakhs of deferred tax assets.

#### 3. Impairment of Trade receivables

As per Ind AS 109 Financial Instruments "Recognition and Measurement", the company is required to apply expected credit loss model for recognising the impairment loss on trade receivables. Accordingly, the company has created additional allowances for impairment loss (exclusive of fully credit impaired receivables) to the tune of following amounts:

- (a) As on Transition date i.e. April 1, 2016: ₹ 267 Lakhs.
- (b) As on Comparative date i.e. March 31, 2017: ₹ 93 Lakhs.

## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-56: FIRST-TIME ADOPTION OF IND AS (Contd.)

#### 4. Reclassification and Regrouping

As per Ind AS 101 "First-time Adoption of Indian Accounting Standards" reclassify items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs. Accordingly the company has reclassified certain items based on its nature.

#### 5. Defined Benefit Obligations

Under Ind AS 19 "Employee Benefits", the obligations are measured on a discounted basis because they may be settled many years after the employees render the related service. Accordingly, the company has written-back an amount of ₹ 25 Lakhs for comparative period.

#### 6. Grant on Re-measurement of interest Free Loan

The unpaid statutory liability towards Central Sales Tax(CST) and Local Sales Tax(LST) for a period starting from financial year 1998-1999 to 2012-13 was allowed under deferment scheme of government as a interest free loan. As per para-10A of Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance", benefit of a government loan at a below market rate of interest is treated as a government grant and shall be recognised and measured as per Ind AS-109 Financial Instruments "Recognition and Measurement". As on transition date the loan was measured at its amortised cost at effective interest method retrospectively and the difference between outstanding loan and amortised cost has been considered as government grant and accordingly recognised in retained earnings as on the date of transition.

(a) The amount of loan outstanding as on the date of transition was ₹1048.13 Lakhs. The loan measured at amortised cost by using effective interest method was amounting to ₹1010.64 Lakhs as on the date of transition and difference for amounting to ₹37.49 has been treated as government grant. An amount of ₹ 22.23 Lakhs was charged opening retained earnings as the date of transition for unrecognised interest.

(b) During Comparative period an amount of ₹2.53 Lakhs was charged interest cost at amortised cost of the loan.

#### 7. Unwinding of Interest on Security Deposits

As per Para 5.1.3 of Ind AS 109 Financial Instruments "Recognition and Measurement", at initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The Company measured its refundable security deposits given which have been classified as financial assets at amortised cost. The refundable security Deposits has been discounted by using weighted average cost of capital (WACC) of the company. The discounted value recognised as security deposits and rest amount over and above discounted value has recognised as prepaid rent. The company also recognised interest income on discounted amount including any earlier recognised income by using WACC rate and further prepaid rent to be written-off over the period of deposits.

(a) Interest Income on refundable security deposits classified at amortised cost recognised at ₹0.02 Lakhs during comparative period.

(b) An amount of ₹1.76 Lakhs was recognised as amortisation of prepaid rent during comparative period.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2018

### Note-56: FIRST-TIME ADOPTION OF IND AS (Contd.)

#### 8. Other comprehensive income

Under Ind AS, all items of income and expenses recognised in a period should be included in profit or loss for the period, unless a standard required or permits otherwise. Items of income and expenses that are not recognised in profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefits plans, foreign exchange difference arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVTOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

#### 9. Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**Note-57:** Figures for the previous year have been re-arranged and re-grouped wherever necessary.

#### As per our report of even date attached

##### For SRB & Associates

*Chartered Accountants*

F. Regd. No.310009E

##### Bisworanjan Sutar

*(Partner)*

Membership No.066708

Date : May 28, 2018

Place: Kolkata

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

##### B K Agrawal

*(Chairman cum Managing Director)*

DIN:00520558

##### S K Sultania

*(Chief Financial Officer)*

##### Navneet Manaksia

*(Wholetime Director)*

DIN:00438612

##### Surbhi Shah

*(Company Secretary)*

Membership No. A38309

# Independent Auditor's Report

To The Members of

**BKM Industries Limited**

(Formerly Known as Manaksia Industries Limited)

## Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **BKM Industries Limited** ("the Holding Company") and its subsidiaries (collectively referred to as 'the Company' or 'the Group'), which comprises the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Ind AS Financial statements').

## Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 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 the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is Sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial Statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 including the Ind AS, of the consolidated financial position of the Group, as at March 31,

2018 and its consolidated financial performance including other comprehensive income and its consolidated cash flows for the year then ended.

### Other Matters

(a) We did not audit the financial statements/ financial information of Euroasian Ventures FZE at Dubai, Euroasian Steels LLC at Gergia, BK Manaksia Nigeria Limited at Nigeria, Jiwanjyoti Vanijya Private Limited in India and Glitter Agencies Private Limited in India the subsidiaries, whose financial statements/financial information reflect total assets of ₹21,868/- lakhs (Approx.) as at March 31, 2018, and total revenues of ₹ 3,024/- Lakhs (Approx.) for the year ended on that date, as considered in the consolidated Ind AS financial statements.

(b) These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not Modified in respect of the above matters with respect to our reliance on work done and the reports of the other auditors and the financial statement/ financial information certified by the management.

### 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 Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account

maintained for the purpose of preparation of the consolidate Ind AS financial statements.

- (d) In our opinion, the aforesaid consolidated Ind AS 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, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 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 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 Holding Company has disclosed the pending litigations in its consolidated Ind AS financial statements.
  - ii. The Holding Company did not have any long-term contracts including derivative contracts. Accordingly, no provision for material foreseeable losses have been made; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For **SRB & Associates**  
Chartered Accountants  
Firm Registration: No-310009E

**Bisworanjan Sutar**  
Partner  
Membership No: 066708

Kolkata, May 28, 2018

## ANNEXURE -A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **BKM Industries Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, 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 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 Holding 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') issued by ICAI 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 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 Ind AS 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 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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 conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, 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, 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 ICAI.

### Other Matters

Our aforesaid report under section 143(3)(1) of the Act on the adequacy and operating effectiveness of the Internal Financial Control Over Financial Reporting insofar as it relates to 5 Subsidiary Companies, which are companies incorporated in India. Our opinion is not qualified in respect of this matter.

For **SRB & Associates**  
Chartered Accountants  
Firm Registration: No-310009E

**Bisworanjan Sutar**  
Partner  
Membership No: 066708

Kolkata, May 28, 2018

## Consolidated Balance Sheet as at March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>I. ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and Equipment	5	15,929	13,534	10,695
(b) Capital work-in-progress	5	4,283	1,149	1,106
(c) Intangible assets	5	42	53	64
(d) Intangible assets under development		-	-	-
(e) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables		-	-	-
(iii) Loans	7	371	67	67
(iv) Other financial assets		-	-	-
(f) Deferred tax assets (net)		-	-	-
(g) Other non-current assets	9	7	7	7
<b>2. Current assets</b>				
(a) Inventories	11	6,285	6,300	5,531
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	6	6,773	5,924	5,736
(iii) Cash & cash equivalents	12	117	140	127
(iv) Bank balances other than (iii) above		-	-	-
(v) Loans	7	10,401	10,710	10,953
(vi) Other financial assets	8	171	58	2
(c) Current Tax Assets (net)	13	6	82	144
(d) Other current assets	9	1,292	823	764
<b>3. Non-current assets held for disposal</b>	5	-	-	2
<b>TOTAL ASSETS</b>		<b>45,677</b>	<b>38,847</b>	<b>35,198</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1. Equity</b>				
(a) Equity Share Capital	14	655	655	655
(b) Other Equity	15	22,759	20,430	17,381
Attributable to owners of BKM Industries Limited		<b>23,415</b>	<b>21,085</b>	<b>18,036</b>
Non-controlling Interest		163	162	175
<b>2. Liabilities</b>				
<b>(i) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	3,038	2,689	1,420
(ii) Trade payables		-	-	-
(iii) Other financial liabilities	18	1,369	1,369	35
(b) Provisions	19	320	304	261
(c) Deferred tax liabilities (net)	10	863	87	255
(d) Other non-current liabilities		-	-	-
<b>(ii) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	5,241	4,896	4,806
(ii) Trade payables	17	4,184	5,793	7,885
(iii) Other financial liabilities	18	700	818	982
(b) Other current liabilities	20	6,192	1,345	1,164
(c) Provisions	19	193	299	179
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>45,677</b>	<b>38,847</b>	<b>35,198</b>
Significant accounting policies	1 & 2			
Notes forming an integral part of financial statements	3 to 58			

As per our report of even date attached

For SRB &amp; Associates

Chartered Accountants

F. Regd. No.310009E

Bisworanjan Sutar

(Partner)

Membership No.066708

Date : May 28, 2018

Place: Kolkata

For and on behalf of the Board of Directors

B K Agrawal

(Chairman cum Managing Director)

DIN:00520558

S K Sultania

(Chief Financial Officer)

Navneet Manaksia

(Wholetime Director)

DIN:00438612

Surbhi Shah

(Company Secretary)

Membership No. A38309

## Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
<b>Income</b>			
I. Revenue from Operations	21	18,517	14,995
II. Other Income	22	213	375
III. Other Gains/(Losses)	23	43	183
<b>Total Income</b>		<b>18,773</b>	<b>15,553</b>
<b>IV. Expenses</b>			
(a) Cost of Materials Consumed	24	3,501	4,714
(b) Change in Inventories (increase)/decrease	26	(306)	(786)
(c) Purchase of Stock In Trade	25	8,753	3,152
(d) Depreciation and Amortization expenses	5	398	392
(e) Operating and Manufacturing Expenses	27	732	931
(f) Employee Benefit Expenses	28	1,475	1,640
(g) Finance cost	29	1,100	884
(h) Other Expenses	30	1,783	1,729
<b>Total expenses</b>		<b>17,436</b>	<b>12,656</b>
<b>V. Profit Before exceptional items and tax</b>		<b>1,337</b>	<b>2,897</b>
Exceptional items	-	-	-
<b>VI. Profit Before Taxes</b>		<b>1,337</b>	<b>2,897</b>
<b>VII. Tax Expenses</b>			
(a) Current Tax	33	132	130
(b) Deferred Tax Expenses/(Income)	33	(2)	(160)
<b>VIII. Profit (Loss) for the Period</b>		<b>1,207</b>	<b>2,927</b>
<b>IX. Other Comprehensive Income</b>			
<b>A (i) Items that will not be reclassified to profit or loss :</b>			
(a) Revaluation Surplus on Property, Plant & Equipment	52	2,233	-
(b) Re-measurement of defined employee benefit plans	35	16	(25)
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss :</b>			
- on Revaluation Surplus on Property, Plant & Equipment	34	(773)	-
- on Re-measurement of defined employee benefit plans	34	(5)	8
<b>B (i) Items that will be reclassified to profit or loss :</b>			
(a) Changes in investments other than equity shares carried at Fair Value through OCI (FVOCI)		-	-
<b>(ii) Income tax relating to items that will be reclassified to profit or loss :</b>		-	-
<b>X. Total Other comprehensive Income after tax</b>		<b>1,471</b>	<b>(17)</b>
<b>XI. Total comprehensive income for the period</b>		<b>2,678</b>	<b>2,910</b>
<b>Profit (Loss) for the Period Attributable to:</b>			
Owners of BKM Industries Limited		1,207	2,926
Non-controlling Interest		-	1
<b>Total Comprehensive Income for the Period Attributable to:</b>			
Owners of BKM Industries Limited		2,678	2,909
Non-controlling Interest		-	1
<b>XII. Earnings per equity share:</b>			
(1) Basic		1.84	4.47
(2) Diluted		1.84	4.47
Significant accounting policies	1 & 2		
Notes forming an integral part of financial statements	3 to 58		

As per our report of even date attached

For SRB & Associates  
Chartered Accountants  
F. Regd. No.310009E

Bisworanjan Sutar  
(Partner)  
Membership No.066708

Date : May 28, 2018  
Place: Kolkata

For and on behalf of the Board of Directors

B K Agrawal  
(Chairman cum Managing Director)  
DIN:00520558

S K Sultania  
(Chief Financial Officer)

Navneet Manaksia  
(Wholtime Director)  
DIN:00438612

Surbhi Shah  
(Company Secretary)  
Membership No. A38309



## Statement of Changes in Equity as at and for the year ended March 31, 2018

### A. Equity Share Capital

Particulars	(₹ in Lakhs)
<b>As at April 1, 2016</b>	<b>Amount</b>
As at April 1, 2016	655
Changes in equity share capital	-
<b>As at March 31, 2017</b>	<b>655</b>
As at March 31, 2017	-
<b>As at March 31, 2018</b>	<b>655</b>

### B. Other Equity

B. Other Equity										(₹ in Lakhs)
Particulars	Attributable to owners of BKM Industries Limited						Total other equity	Non-Controlling Interest	Total	
	Reserves & Surplus			Other Comprehensive Income						
	Capital Reserves	General Reserves	Securities Premium Reserve	Retained Earnings	Revaluation Reserves	Exchange Fluctuation Reserves				
Balance at April 1, 2016	4,544	6,301	4,171	2,365	-	-	17,381	175	17,556	
Profit for the year	-	-	-	2,927	-	-	2,927	-	2,927	
Other comprehensive income	-	-	-	(17)	-	-	(17)	-	(17)	
Total comprehensive income for the year	-	-	-	2,910	-	-	2,910	-	2,910	
Other Adjustments	(22)	-	-	-	-	161	139	(13)	126	
Issue of equity shares	-	-	-	-	-	-	-	-	-	
Dividends paid	-	-	-	-	-	-	-	-	-	
Balance at March 31, 2017	4,522	6,301	4,171	5,275	-	161	20,430	162	20,592	
Profit for the year	-	-	-	1,207	-	-	1,207	-	1,207	
Other comprehensive income	-	-	-	11	1,460	-	1,471	-	1,471	
Total comprehensive income for the year	-	-	-	1,218	1,460	-	2,679	-	2,679	
Other Adjustments	-	-	-	-	-	(349)	(349)	1	(348)	
Issue of equity shares	-	-	-	-	-	-	-	-	-	
Dividends paid	-	-	-	-	-	-	-	-	-	
Balance at March 31, 2018	4,522	6,301	4,171	6,493	1,460	(188)	22,759	163	22,922	

As per our report of even date attached

**For SRB & Associates**

Chartered Accountants  
F. Regd. No.310009E

**Bisworanjan Sutar**

(Partner)  
Membership No.066708

Date : May 28, 2018

Place: Kolkata

For and on behalf of the Board of Directors

**B K Agrawal**

(Chairman cum Managing Director)  
DIN:00520558

**S K Sultania**

(Chief Financial Officer)

**Navneet Manaksia**

(Wholesale Director)  
DIN:00438612

**Surbhi Shah**

(Company Secretary)  
Membership No. A38309

## Consolidated Statement of Cash Flows for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>A Operating Activities</b>		
Profit before tax from continuing operations	1,337	2,897
Profit/(loss) before tax from discontinuing operations	-	-
<b>Profit before tax</b>	<b>1,337</b>	<b>2,897</b>
<b>Adjustments for:</b>		
Depreciation on Property, Plant and Equipment	387	381
Amortisation of intangible assets	11	11
Finance Cost (including fair value changes in financial instruments)	1,100	884
Net foreign exchange differences	21	36
Interest Income (including fair value changes in financial instruments)	(196)	(266)
Dividend Income	-	-
(Profit)/Loss on sales of Property, Plant and Equipment	(64)	(219)
Net (Gain)/Loss on remeasurement of Financial Assets carried FVTPL	151	93
<b>Operating profit / (loss) before working capital changes</b>	<b>2,747</b>	<b>3,817</b>
<b>Working capital adjustments:</b>		
Decrease/(Increase) in Trade receivables	(849)	(188)
Decrease/(Increase) in Loans	306	246
Decrease/(Increase) in Inventories	15	(769)
Decrease/(Increase) in Other financial assets	(590)	(186)
Decrease/(Increase) in Other current assets	(469)	(59)
(Decrease)/Increase in Trade payables	(1,609)	(2,092)
(Decrease)/Increase in Other financial liability	227	1,260
(Decrease)/Increase in Other current liability	4,514	295
(Decrease)/Increase in Provisions	(89)	163
	<b>4,203</b>	<b>2,487</b>
Income taxes paid	(56)	(69)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES (A)</b>	<b>4,147</b>	<b>2,418</b>
<b>B Investing Activities</b>		
Purchase of Property, Plant and Equipment	(877)	(2,844)
Purchase of Intangible Assets	-	-
Changes in Capital Work In Progress	(3,134)	(43)
Sale of Property, Plant and Equipment	295	309
Exchange fluctuation on Property, Plant and Equipment	98	(466)
Other non-current assets	-	2
(Purchase)/Sale of Investments	-	-
Interest received (finance income)	196	266
Dividend received (finance income)	-	-
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(3,422)</b>	<b>(2,776)</b>
<b>C Financing Activities</b>		
Proceeds from issue of equity shares	-	-
Interest paid	(1,100)	(884)
Proceeds/(Repayment) from borrowings	349	1,268
Changes in non-controlling Interest	2	(13)
<b>NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES (C)</b>	<b>(749)</b>	<b>371</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(23)</b>	<b>13</b>
Cash and cash equivalents at the beginning of the year	140	127
<b>Cash and cash equivalents at the year end</b>	<b>117</b>	<b>140</b>

This statement of cash flows have been prepared as per indirect method as prescribed under Ind AS 7 "Statement of Cash Flows.

As per our report of even date attached

For SRB & Associates  
Chartered Accountants  
F. Regd. No.310009E

Bisworanjan Sutar  
(Partner)  
Membership No.066708

Date : May 28, 2018  
Place: Kolkata

For and on behalf of the Board of Directors

B K Agrawal  
(Chairman cum Managing Director)  
DIN:00520558

S K Sultania  
(Chief Financial Officer)

Navneet Manaksia  
(Wholetime Director)  
DIN:00438612

Surbhi Shah  
(Company Secretary)  
Membership No. A38309

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### NOTE-1: BACKGROUND

BKM Industries Limited (the 'Company') is a public limited company incorporated and domiciled in India. The company has its primary listings on the BSE Limited and National Stock Exchange of India Limited, in India. The company and its subsidiaries (the "group") is engaged in the manufacturing and trading of Packaging Products, Marine Business and Steel Business. The company has prepared consolidated financial statements in pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.

### NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

##### (i) Compliance with Ind AS :

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements under Ind AS. Refer to Note No. 57 for an explanation of how the transition from previous GAAP to Ind AS has affected the group financial position, financial performance and cash flows.

##### (ii) Historical cost convention :

The financial statements have been prepared under the historical cost convention, except for the following:

- a) Certain financial assets and liabilities that is measured at fair value;
- b) Net Defined Obligations
- c) Non Current Assets held for disposal

##### (iii) Current And Non -Current Classification

All assets and liabilities have been classified as current and non-current as per the group's operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. The group has ascertained its operating cycle as 12 months for the purpose of current and non-current classifications.

#### 2.2 Principles of Consolidation:

The Consolidated Financial Statements consist of BKM Industries Limited (the 'group') and its subsidiary companies (collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

##### (i) Subsidiaries:

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to or has rights to variable returns from continuous involvement with the entity and has ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date on which control ceases.

The group consolidates the financial statements of the parent and its subsidiaries by adding line by line together like items of assets, liabilities, equity, income and expenses. Intergroup balances, transactions and unrealized gains or losses on transactions between the group companies are eliminated. Accounting policies of subsidiaries have been changed and realigned wherever necessary to ensure consistency with the policies adopted by the group.

Non-controlling Interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interests in the subsidiary is recognized within equity.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### (ii) Joint Ventures and Associates:

The group does not have any material Joint Venture and Associates.

### (iii) Loss of Control:

When the group ceases to consolidate or do equity accounting of an investment because of loss of control or joint control, any retained interest in the investee is measured to its fair value with the change in carrying amount recognized in the statement of profit and loss.

In addition any amount previously recognized in other comprehensive income in respect of the entity are accounted for as if the group had directly disposed of the related assets or liabilities.

### (iv) Foreign Operations:

The result and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows :-

- (a) Assets and liabilities are translated at closing rate at the date of balance sheet.
- (b) Income and expenses are translated at average exchange rates and
- (c) All resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss as a part of the gain or loss on sale of investment.

Goodwill and fair value adjustments arising on the acquisition of foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

## 2.3 Property, Plant and Equipment, Intangible Assets and Capital Work-in-progress

### i) Recognition and Measurement

Freehold land is carried at historical cost on the date of transition and comparative period, during the financial year 2017-18 the Freehold land remeasured as per Revaluation Model. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted as separate assets is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The cost of Property, plant and equipment not available for use as on each reporting date are disclosed under capital work-in-progress.

### ii) Transition to Ind AS

On transition to Ind AS, the entity has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### iii) Depreciation methods, estimated useful lives and residual value

- a) Depreciation is calculated using the Straight Line Method (SLM) to allocate their cost, net of their residual values over their estimated useful lives. The useful lives have been determined based on the technical evaluation done by the independent experts which are in line with the Schedule II to the Companies Act, 2013.
- b) Any assets whose aggregate actual cost does not exceed five thousands rupees has been fully charged off in the year of addition.
- c) The residual values are not more than 5% of the original cost of the assets. The asset's residual values and useful lives are reviewed and adjusted at the end of each reporting period.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

- d) Depreciation on assets purchased/acquired during the year is charged from the date of purchase of the assets. Assets that are acquired during the year are depreciated on pro rata-basis from the date of such addition or, as the case may be, up to the date on which such assets has been derecognized.
- e) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- f) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).
- g) Depreciation includes amortisation of lease-hold land over the period of lease.

### iv. Intangible assets :

#### a) Recognitions and Measurements :

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

#### b) Amortisation methods and periods

Intangible Assets with finite useful lives are amortized on straight line basis over their estimated useful lives .

#### c) Transition to Ind AS

On transition to Ind AS, the entity has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### 2.4 Revenue recognition :

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of excise duty, net of returns, trade allowances, rebates, value added taxes, goods and service tax and amounts collected on behalf of third parties.

It recognises revenue when all the following conditions have been satisfied :

- 1) Has transferred to the buyer the significant risks and rewards of ownership of the goods;
- 2) the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 3) the amount of revenue can be measured reliably;
- 4) it is probable that the economic benefits associated with the transaction will flow to the entity and
- 5) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 2.5 Other Incomes

- 1) Insurance claims has been recognized as revenue on cash basis.
- 2) Dividends shall be recognised as revenue when the shareholder's right to receive payment is established.
- 3) Interest shall be recognised as revenue using the effective interest method as set out in Ind AS 109.
- 4) Revenue other than above is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount or the amount in respect of which recovery has ceased to be probable is recognised as an expense, rather than as an adjustment of the amount of revenue originally recognised.

### 2.6 Inventories :

**Raw materials, Stores and spares, Semi-finished goods, traded and finished goods**

**Inventories are valued as under –**

- a) Raw materials, Stores spares, loose tools and Erection materials are valued at weighted average cost.
- b) Finished goods are stated at lower of Cost or Net Realisable Value.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

- c) Saleable scraps, whose cost is not identifiable, are valued at estimated realisable value.

Cost of raw materials and stores comprises cost of purchase. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Net realizable value is the estimated selling price in the ordinary course of business after deduction of the estimated cost of completion and the estimated costs necessary to make the sale.

### 2.7 Financial Instruments

Financial assets and liabilities are recognized when the group becomes a party to the contractual provisions of the instrument.

#### Financial Assets

##### (i) Trade Receivables

Trade Receivables are recognized initially at fair value and subsequently measured at amortized costs less of provisions for impairment.

##### (ii) Other Financial Assets

###### a) Classifications

The group classifies its financial assets in the following categories:

- # Those to be measured subsequently at fair value (either through other comprehensive income or through profit and loss).
- # Those measured at amortised costs.

The classification depends upon the business model for managing the financial assets and contractual characteristics of the cash flows.

###### b) Measurements

###### Initial Recognition:

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in profit or loss.

###### Subsequent Measurement:

There are three subsequent measurement categories into which the group classifies its debt instruments financial assets:

###### i) measured at amortised cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

###### ii) measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

###### iii) measured at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition.

###### iv) Equity instruments :

An equity instruments is a contract that evidences residual interest in the assets of the group after deducting all of its liabilities. Equity instruments recognised at the proceeds received net off direct issue cost.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

All equity instruments classified under financial assets are subsequently measured at fair value. The group has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

### c) Impairment of Financial Assets :

The group assesses on forward looking basis the expected credit losses associated with its assets carried at amortized costs. The impairment methodology applied depends on whether there has been significant increase in credit risks.

For trade receivables only, the group has applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognized from initial recognition of the receivables.

### d) Derecognition of Financial Assets :

**A financial assets is derecognized only when :**

The group has transferred the rights to receive cash flows from the financial assets or retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients.

## Financial Liabilities

### a) Borrowings :

- i. Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.
- ii. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).
- iii. Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### b) Trade and other payables :

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### c) Other Financial Liabilities

Financial liabilities are measured at amortised cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate method. Gain and losses recognized in profit and loss when the liabilities are derecognized.

### d) Offsetting of Financial Instruments:

A financial asset and a financial liability shall be offset and the net amount presented in the balance sheet when, and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### 2.8 Employee benefits :

#### (i) Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

All Short term employee benefits such as salaries, incentives, special award, medical benefits which fall due within 12 months of the period in which the employee renders related services, which entitles him to avail such benefits and non accumulating compensated absences (like maternity leave and sick leave) are recognized on an undiscounted basis and charged to Profit and Loss Statement.

#### (ii) Post-employment obligations

**The entity operates the following post-employment schemes:**

- (a) defined benefit plans such as gratuity, Superannuation and
- (b) defined contribution plans such as provident fund.

#### **Provident fund obligations**

Contribution to the provident fund, which is a defined contribution plan, made to the Regional Provident Fund Commissioner is charged to the Profit and loss Statement on accrual basis.

#### **Gratuity obligations**

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less that fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations denominated in INR is determined by discounting the estimated future cash flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the term of related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in statement of profit and loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

### 2.9 Foreign currency translation :

#### (i) Functional and presentation currency

Each items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions i.e. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non monetary items that are measured that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Translation differences on assets and liabilities carried at fair value are reported as part of fair value gain or loss.

### 2.10 Income tax :

- i. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

- ii. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.
- iii. Current income tax expense comprises taxes on income from operations in India and is determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) is paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability. The group offsets on a year on basis, the current tax assets and liabilities, where it intends to settle such assets and liabilities on a net basis. The current tax expense recognized in the financial statements is net off MAT credit utilized during the period.
- iv. Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- v. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
- vi. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
- vii. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2.11 Cash and cash equivalents :

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### 2.12 Borrowing costs :

- a) General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
- b) Other borrowing costs are expensed in the period in which they are incurred.

### 2.13 Provisions & Contingent Liabilities:

- a) A provision is recognized if, as a result of a past event, the group has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. Contingent assets are not recognized.
- b) Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### 2.14 Contributed equity :

#### a) Equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### b) Dividends :

Provisions is made for any amount of dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of reporting period but not distributed at the end of the reporting period.

### 2.15 Earning Per Share

#### a) Basic Earning Per Share

Basic Earning Per Share is calculated by dividing the profit attributable to owners of the group by the weighted average number of equity shares outstanding during the financial year.

#### b) Diluted Earning Per Share

Diluted Earning Per Share adjusts the figures used in the determination of the basic earning per share to take into account the after income tax effect of interests or other finance costs associated with the dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 2.16 Segment Reporting

Ind AS 108 "Operating Segments", establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Business segments of the group are primarily enterprises in packaging products and all other segments. All other segments represents the operating segments of businesses in India.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for "all other segments" represents revenue generated from customers located in India. Allocated expenses of segments include expenses incurred for rendering services. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the group.

Assets and liabilities used in the group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

### 2.17 Leases:

Leases under which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### 2.18 Investment Properties:

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement of profit and loss. Transfer to, or from, investment property are recognized at the carrying amount of the property.

### 2.19 Research and Development:

Unless dealt under respective Ind AS, research and development expenditure of revenue nature are charged to the Statement of Profit and Loss, while capital expenditure are added to the cost of fixed assets in the year in which these are incurred.

### 2.20 Government Grants:

Grants from government are recognized at their fair value where there is a reasonable assurance that the grants will be received and the group will comply all conditions.

Government grants relating to income are deferred and recognized in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a straight line basis over the expected life's of the related assets and presented within other income.

### 2.21 Rounding of amounts :

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

## NOTE-3: RECENT ACCOUNTING PRONOUNCEMENTS

### Accounting Pronouncement Issued but not effective :

#### a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. Based on the prima facie evaluation the effect of this on the financial statements and the impact expected to be insignificant.

#### b) Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- (i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- (ii) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### NOTE-4: CRITICAL ESTIMATES AND JUDGEMENTS

#### a) Use of Estimates :

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### b) Critical Accounting Estimates :

##### i) Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

##### ii) Income Taxes :

The group's major tax jurisdictions is India . Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

##### iii) Defined benefit obligation

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

##### iv) Impairment of trade receivables

The group estimates the collectability of accounts receivables by analysing historical payment patterns, customer concentrations, customer credit worthiness and current economic trends. If the financial condition of customer deteriorates, additional allowances may be required.

##### v) Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/ internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and value in use of the assets. The estimated cash flows considered for determining the value in use, are discounted to the present value at weighted average cost of capital (WACC).

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-5: PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

PARTICULARS	Freehold Land	Leasehold Land	Freehold Buildings	Furniture, Fittings and Equipment	Plant and Machinery	Office Equip-ment	Vehicles	TOTAL	Capital Work-in-Progress	Intangible Assets
<b>Gross Carrying Amount</b>										
<b>At April 1, 2016</b>	314	9	2,761	510	20,431	310	595	24,930	1,106	86
Asset taken over on consolidation	-	-	3,202	-	-	-	-	3,202	-	-
Additions/Adjustments during the year	-	-	33	1	199	9	81	323	76	-
Disposals during the year	-	-	-	(1)	(704)	-	(4)	(709)	-	-
Exchange Fluctuation	(13)	-	(61)	(1)	(590)	(1)	(16)	(682)	(33)	-
<b>At March 31, 2017</b>	<b>301</b>	<b>9</b>	<b>5,935</b>	<b>509</b>	<b>19,336</b>	<b>318</b>	<b>656</b>	<b>27,064</b>	<b>1,149</b>	<b>86</b>
Asset taken over on consolidation	-	-	-	-	-	-	-	-	-	-
Additions/Adjustments during the year	-	-	-	8	645	-	24	677	3,574	-
Revaluation of Assets	2,233	-	-	-	-	-	-	2,233	-	-
Disposals during the year	-	-	-	(1)	(280)	-	-	(281)	(450)	-
Exchange Fluctuation	4	-	18	-	172	1	5	200	10	-
<b>At March 31, 2018</b>	<b>2,538</b>	<b>9</b>	<b>5,953</b>	<b>516</b>	<b>19,873</b>	<b>319</b>	<b>685</b>	<b>29,893</b>	<b>4,283</b>	<b>86</b>
<b>Accumulated Depreciation and Impairment</b>										
<b>At April 1, 2016</b>	-	2	1,019	438	12,217	266	293	14,235	-	22
Depreciation charge for the year	-	-	53	9	289	12	18	381	-	11
Exchange Fluctuation	-	-	(19)	(1)	(436)	(1)	(9)	(466)	-	-
Disposals during the year	-	-	-	-	(616)	-	(4)	(620)	-	-
<b>At March 31, 2017</b>	<b>-</b>	<b>2</b>	<b>1,053</b>	<b>446</b>	<b>11,454</b>	<b>277</b>	<b>298</b>	<b>13,530</b>	<b>-</b>	<b>33</b>
Depreciation charge for the year	-	-	93	8	248	14	24	387	-	11
Exchange Fluctuation	-	-	4	-	92	-	2	98	-	-
Disposals during the year	-	-	(1)	-	(50)	-	-	(51)	-	-
<b>At March 31, 2018</b>	<b>-</b>	<b>2</b>	<b>1,149</b>	<b>454</b>	<b>11,744</b>	<b>291</b>	<b>324</b>	<b>13,964</b>	<b>-</b>	<b>44</b>
<b>Net Book Value At March 31, 2018</b>	<b>2,538</b>	<b>7</b>	<b>4,804</b>	<b>62</b>	<b>8,129</b>	<b>28</b>	<b>361</b>	<b>15,929</b>	<b>4,283</b>	<b>42</b>
<b>Net Book Value At March 31, 2017</b>	<b>301</b>	<b>7</b>	<b>4,882</b>	<b>63</b>	<b>7,882</b>	<b>41</b>	<b>358</b>	<b>13,534</b>	<b>1,149</b>	<b>53</b>
<b>Deemed cost At April 1, 2016</b>	<b>314</b>	<b>7</b>	<b>1,742</b>	<b>72</b>	<b>8,214</b>	<b>44</b>	<b>302</b>	<b>10,695</b>	<b>1,106</b>	<b>64</b>

#### Net Book Value:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, Plant and Equipment	15,929	13,534	10,695
Capital Work-in-progress	4,283	1,149	1,106
Intangible Assets	42	53	64

(I) Details of Property, Plant &amp; Equipment pledged as security - Refer Note No.46.

(II) Refer Note. 50 for estimated useful lives of different class of Property, Plant &amp; Equipment.

(III) The details of retired asset as at end of each period is as below :-

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, Plant and Equipment	3,269	3,269	3,269
Capital Work-in-progress	-	-	-
Intangible Assets	-	-	-

(IV) The details of Assets held for sale as at end of each period is as below :-

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(i) Property, Plant and Equipment</b>			
Opening Balance/Deemed Cost	-	2	-
Additions	-	-	2
Deletions	-	(2)	-
Carrying Amount/Deemed Cost	-	-	2

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-6: TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured, considered good</b>			
(i) <b>Non-Current</b>	-	-	-
<b>Sub-Total</b>	-	-	-
(ii) <b>Current</b>			
Gross Trade Receivables	7,397	6,397	6,116
<b>Less:</b> Trade Receivable Written off	-	-	-
<b>Less:</b> Impairment loss/(gain) on financial assets	(624)	(473)	(380)
<b>Sub-Total</b>	<b>6,773</b>	<b>5,924</b>	<b>5,736</b>
<b>Total</b>	<b>6,773</b>	<b>5,924</b>	<b>5,736</b>

(l) Trade receivables are non-interest bearing and are generally on terms of 90 to 180 days.

### Note-7: LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured, considered good</b>			
(i) <b>Non Current</b>			
Security Deposit	371	9	9
Inter-corporate Loans & Deposits *	-	58	58
Deposits with Government Authorities	-	-	-
<b>Sub-Total</b>	<b>371</b>	<b>67</b>	<b>67</b>
(ii) <b>Current</b>			
Security Deposit	-	2	-
Inter-corporate Loans & Deposits *	10,401	10,708	10,953
<b>Sub-Total</b>	<b>10,401</b>	<b>10,710</b>	<b>10,953</b>
<b>Total</b>	<b>10,772</b>	<b>10,777</b>	<b>11,020</b>

\*Inter-corporate loans and deposits includes related parties and other corporates.

### Note-8: OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) <b>Non-Current</b>			
Application money paid towards subscription of securities	-	-	-
Other bank balances*	-	-	-
<b>Sub-Total</b>	-	-	-
(ii) <b>Current</b>			
Interest Receivables	-	-	-
Derivative Financial Asset	-	-	-
Other bank balances*	171	58	2
Others	-	-	-
<b>Sub-Total</b>	<b>171</b>	<b>58</b>	<b>2</b>
<b>Total</b>	<b>171</b>	<b>58</b>	<b>2</b>

\*Details of other balances with banks.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earmarked Balances with Banks	-	-	-
Term Deposits with Bank	-	-	-
Margin money, guarantee and security with banks*	171	58	2
<b>Total</b>	<b>171</b>	<b>58</b>	<b>2</b>

\*The margin money, guarantee and security with banks includes deposits held as collateral Security.



## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-9: OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(i) Non-Current</b>			
Capital Advance	1	1	1
Security Deposit	-	-	-
Balances with Government Authorities	6	6	6
Prepaid Lease Rentals	-	-	-
Other Loans & Advances	-	-	-
<b>Sub-Total</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>(ii) Current</b>			
Capital Advance	-	-	-
Security Deposit	-	-	-
Balances with Government Authorities	842	440	394
Other Loans & Advances	450	383	370
<b>Sub-Total</b>	<b>1,292</b>	<b>823</b>	<b>764</b>
<b>Total</b>	<b>1,299</b>	<b>830</b>	<b>771</b>

### Note-10: DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, Plant and Equipment	(1,314)	(576)	(521)
Intangible Assets	-	-	-
Employee Benefit Obligation	162	195	136
MAT Credit Entitlement	72	130	-
Impairment loss/(gain) on financial assets	217	164	130
<b>Total</b>	<b>(863)</b>	<b>(87)</b>	<b>(255)</b>

### Note-11: INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials	1,823	2,137	2,046
Work-in-Process	3,042	2,642	2,004
Finished Goods	672	763	669
Stores & Spares	538	546	654
Stock in Transit	-	-	-
Scraps	210	212	158
<b>Total</b>	<b>6,285</b>	<b>6,300</b>	<b>5,531</b>

### Note-12: CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Balances with banks</b>			
(i) Cash at bank	244	113	38
(ii) Cash on hand	44	85	91
(iii) Cheques on hand	-	-	-
<b>Sub Total</b>	<b>288</b>	<b>198</b>	<b>129</b>
<b>Less : Amount grouped under other bank balances</b>	<b>171</b>	<b>58</b>	<b>2</b>
<b>Total</b>	<b>117</b>	<b>140</b>	<b>127</b>

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-13: CURRENT TAX ASSETS/ (LIABILITIES) (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income tax payable	-	-	-
Income tax receivable	6	82	144
<b>Total</b>	<b>6</b>	<b>82</b>	<b>144</b>

### Note-14: SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Equity Share Capital</b>			
<b>a) Authorised</b>			
75000000 (on March 31, 2017: 75000000) (on March 31, 2016: 75000000) Equity Shares of ₹ 1/- each	750	750	750
	<b>750</b>	<b>750</b>	<b>750</b>
<b>b) Issued, Subscribed and Paid Up</b>			
<b>Equity Shares:</b>			
65534050 (on March 31, 2017: 65534050) (on March 31, 2016: 65534050) Equity Shares of ₹ 1 each fully paid up	655	655	655
<b>Total</b>	<b>655</b>	<b>655</b>	<b>655</b>

Above figures in bracket pertains to immediately preceding previous period figures.

#### c) Reconciliation of number of equity shares are set out below:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i) Shares outstanding at the beginning of the financial year.	6,55,34,050	6,55,34,050	6,55,34,050
ii) Issued during the year	-	-	-
iii) Shares forfeited/brought back/cancelled during the year	-	-	-
iv) Shares outstanding at the end of the financial year	<b>6,55,34,050</b>	<b>6,55,34,050</b>	<b>6,55,34,050</b>

#### d) Details of shareholders holding more than 5% of shares

SN.	Name of the shareholders	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		% held	No. of Shares	% held	No. of Shares	% held	No. of Shares
1	Basant Kumar Agrawal	22%	1,44,55,940	22%	1,44,55,940	63%	4,12,55,940
2	Navneet Manaksia	14%	95,00,000	14%	95,00,000	-	-
3	Aditya B Manaksia	14%	95,00,000	14%	95,00,000	-	-
4	Saroj Devi Agrawal	12%	78,00,000	12%	78,00,000	-	-

- (a) The parent company has a single class of equity shares having par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share. The parent company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (b) In the event of liquidation of the parent company, the holders of equity shares will be entitled to receive any of the remaining assets of the parent company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (c) The parent company is not a subsidiary company.
- (d) In terms of the scheme of arrangement under section 391 to 394 of the Companies Act, 1956 ('the Scheme') between Manaksia Limited. Manaksia Industries Limited ('the parent company') and other three transferee Companies, Manaksia

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-14: SHARE CAPITAL (Contd.)

Limited has demerged its business and undertakings namely, Aluminium Undertaking, Steel Undertaking, CMMC Undertaking and Packaging Undertaking to four separate transferee Companies. In terms of the Scheme 65,534,050 equity shares of ₹1/- each fully paid-up, of the parent company have been issued payment being received in cash, in the ratio of 1 (one) fully paid-up equity share of ₹ 1/- each of the parent company for every equity share held in Manaksia Limited.

- (e) The parent company has changed its name from Manaksia Industries Limited (the "Holding Parent company") to BKM Industries Limited with effect from 16th of October, 2017.
- (f) No Shares has been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.
- (g) For the period of five years immediately preceding the date at which the balance sheet is prepared, the parent company has not :
  - a. Issued class of shares allotted as fully paid up pursuant to contract without payment being received in cash;
  - b. Issued class of shares allotted as fully paid up by way of bonus shares; and
  - c. Issued class of shares bought back.

### Note-15: OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>a. Capital Reserve</b>			
Opening Balance	4,522	4,544	4,544
Less: Created on consolidation of subsidiaries	-	(22)	-
<b>Sub Total</b>	<b>4,522</b>	<b>4,522</b>	<b>4,544</b>
<b>b. Securities Premium</b>			
Opening Balance	4,171	4,171	4,171
Add: Additions during the year	-	-	-
<b>Sub Total</b>	<b>4,171</b>	<b>4,171</b>	<b>4,171</b>
<b>c. General Reserves</b>			
Opening Balance	6,301	6,301	6,301
Add: Addition during the year	-	-	-
Less: Dividend paid	-	-	-
<b>Sub Total</b>	<b>6,301</b>	<b>6,301</b>	<b>6,301</b>
<b>d. Revaluation Surplus</b>			
Opening Balance/ As on Transition Date	-	-	-
Add: Net fair value gain/(loss) on revaluation of Property, Plant and Equipment during the period	2,233	-	-
Less: Income tax effect thereof	(773)	-	-
<b>Sub Total</b>	<b>1,460</b>	<b>-</b>	<b>-</b>
<b>e. Retained Earnings</b>			
Opening Balance	5,275	2,365	2,599
Add: Profit/(Loss) during the year	1,207	2,927	-
Add: Re-measurement of defined employee benefit plans through OCI Net of Tax	11	(17)	-
Add: Net fair value gain/(loss) on investments during the period	-	-	-
Less: Deferred Tax liability / (Assets) on Transition date	-	-	56
Less: Impairment loss on financial assets	-	-	(267)
Add: Restatement of Property, Plant & Equipment Depreciation on Capital Stores	-	-	(13)
Add: Grant on Re-measurement of interest Free Loan	-	-	37
Less: Unrecognized Interest on Interest Free Loan	-	-	(22)
Add: Transfer From Currency Translation Reserves	-	-	(25)
<b>Sub Total</b>	<b>6,493</b>	<b>5,275</b>	<b>2,365</b>

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-15: OTHER EQUITY (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>f. Exchange Fluctuation Reserve</b>			
Opening Balance	161	-	(25)
<b>Add:</b> Additions During the Period	(349)	161	-
<b>Less:</b> Transfer to Retained Earnings	-	-	25
<b>Sub Total</b>	<b>(188)</b>	<b>161</b>	<b>-</b>
<b>Total</b>	<b>22,759</b>	<b>20,430</b>	<b>17,381</b>

# Refer Note No.53 for details of nature and purpose of each class of other equity.

### Note-16: BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(i) Non-Current Borrowings</b>			
<b>Secured Loan</b>			
(a) Term Loan From Banks	2,417	1,926	492
(b) Term Loan From others	-	-	-
<b>Unsecured Loan</b>			
(a) Loans from Bank	-	-	-
(b) Loans from Others	-	-	-
(c) Deferred Sales Tax Liability	621	763	928
<b>Total non-current borrowings (A)</b>	<b>3,038</b>	<b>2,689</b>	<b>1,420</b>
<b>(ii) Current Borrowings</b>			
<b>From Banks</b>			
(a) Rupee Loan	3,906	3,029	2,776
(b) Buyers Credit	1,028	1,265	2,030
<b>From Others</b>	307	602	-
<b>Total current borrowings (B)</b>	<b>5,241</b>	<b>4,896</b>	<b>4,806</b>
<b>Total current borrowings (A+B)</b>	<b>8,279</b>	<b>7,585</b>	<b>6,226</b>

- (a) The Current part of Long Term Borrowings, as above, have been shown under Other financial liabilities (Note No.18), as Current Maturities of long term debt.
- (b) The group's Secured Corporate Loan facilities are secured by First Charge on Fixed Asset (Movable and Immovable) of the group. The amount is further secured by second charge on the current assets of the group, both present and future.
- (c) Group's Loan against property from NBFC is secured by Charge against properties of subsidiary companies - Jiwanyjoti Vanijya Pvt Ltd and Glitter Agencies Pvt Ltd. The amount is further secured by pledge of group's investment in Equity shares of those companies. Rate of interest of this kind of loan is LFRR (LAP Floating reference rate notified time to time) -7.25% margin. These loans are repayable in Equated Monthly Instalments over a period of 10 years.
- (d) Vehicles loan are secured by charge against the vehicles obtained from those loans. Rate of interest on vehicles loans ranges between 8.5% To 10% p.a. These loans are repayable between 3 to 5 years from date of disbursement.
- (e) The group's Working Capital facilities from banks are secured by First Charge on the current assets and First Charge on Fixed Assets of unit at Bankura ranking pari passu with the respective Working Capital Bankers. The amount is further secured on second charge basis on fixed assets of the group (except at Bankura unit) ranking pari passu with the respective Working Capital Bankers.
- (f) The sales tax loan is repayable in annual instalments which range from a maximum of ₹167.47 Lakhs to a minimum of ₹21.70 Lakhs over the period from 1998-1999 to 2012-2013. The amount outstanding is free of interest.
- (g) Refer Note No.54 for details of tenure of pending obligations as covenants of borrowings.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-17: TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-Current	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
(ii) Current	4,184	5,793	7,885
<b>Sub-Total</b>	<b>4,184</b>	<b>5,793</b>	<b>7,885</b>
<b>Grand Total</b>	<b>4,184</b>	<b>5,793</b>	<b>7,885</b>

# Refer Note No.49 for details of dues to MSME.

### Note-18: OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>i. Non-Current</b>			
Security Deposits From Consignment Agencies	1,369	1,369	35
<b>Sub-Total</b>	<b>1,369</b>	<b>1,369</b>	<b>35</b>
<b>ii. Current</b>			
Current Maturity of Long term debt	536	612	840
Interest Accrued but not Due	19	39	37
Deferred Sales Tax Liability	145	167	105
<b>Sub-Total</b>	<b>700</b>	<b>818</b>	<b>982</b>
<b>Total</b>	<b>2,069</b>	<b>2,187</b>	<b>1,017</b>

### Note-19: PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Provision for Employee Benefits	358	336	292
(ii) Provision for Gratuity	111	143	43
(iii) Provisions for Excise Duty on Inventory	44	124	105
<b>Total</b>	<b>513</b>	<b>603</b>	<b>440</b>
<b>Classified as:</b>			
Current	193	299	179
Non Current	320	304	261
<b>Total</b>	<b>513</b>	<b>603</b>	<b>440</b>

### Note-20: OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current Liabilities:</b>			
(i) Statutory Dues Payable	-	1,345	1,164
(ii) Customer Advances	6,191	-	-
(iii) Unpaid Dividend Account	1	-	-
(iv) Others	-	-	-
<b>Total</b>	<b>6,192</b>	<b>1,345</b>	<b>1,164</b>

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-21: REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Products	17,631	12,446
Sale of Services	-	-
Other Operating Revenue	886	2,549
<b>Total</b>	<b>18,517</b>	<b>14,995</b>
<b>Sale of Products :</b>		
Gross Sale of Products	17,850	13,341
Less: Discounts	(26)	(22)
Less : Excise Duty	(193)	(873)
<b>Net Sale of Products</b>	<b>17,631</b>	<b>12,446</b>

### Note-22: OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Interest Income :</b>		
Interest Income From Financial Assets measured at Amortized Costs	196	266
<b>Dividend Income :</b>	-	-
Dividend Income From Financial Assets Measured at Amortized Costs	-	-
Dividend Income From Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
<b>Other Items :</b>		
Rental Incomes	-	-
Export Incentives & Benefits	-	3
Unwinding of Interest on Security Deposits	-	-
Revenue Grants	-	-
Other	17	106
<b>Total</b>	<b>213</b>	<b>375</b>

### Note-23: OTHER GAINS/ (LOSSES)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net gain/(losses) on disposal of Property, Plant & Equipment	64	219
Net foreign exchange gain /(losses)	(21)	(36)
Other Items	-	-
<b>Total</b>	<b>43</b>	<b>183</b>

### Note-24: COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Material and components consumed</b>		
Opening Stock	2,137	2,046
<b>Add: Material Purchased during the year</b>	<b>3,187</b>	<b>4,805</b>
<b>Less: Closing Stock</b>	<b>1,823</b>	<b>2,137</b>
<b>Total</b>	<b>3,501</b>	<b>4,714</b>

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-24: COST OF MATERIAL CONSUMED (Contd.)

#### Details of materials consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Aluminium	1,377	2,218
TFS Sheet	1,832	1,945
Others	292	551
<b>Total</b>	<b>3,501</b>	<b>4,714</b>

### Note-25: PURCHASE OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Tea	5,613	2,489
Others	3,140	663
<b>Sub-Total</b>	<b>8,753</b>	<b>3,152</b>

### Note-26: CHANGES IN INVENTORIES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Opening Stock</b>		
Finished Goods	763	669
Semi-Finished Goods	2,642	2,004
Scrap Material	212	158
<b>Sub-Total</b>	<b>3,617</b>	<b>2,831</b>
<b>Less:- Closing Stock</b>		
Finished Goods	672	763
Semi-Finished Goods	3,041	2,642
Scrap Material	210	212
<b>Sub-Total</b>	<b>3,923</b>	<b>3,617</b>
<b>INCREASE(-)/DECREASE(+)</b>	<b>(306)</b>	<b>(786)</b>

### Note-27: OPERATING AND MANUFACTURING EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of Stores and Consumables	184	258
Power and Fuel	332	433
Processing Charges	6	-
Cleaning Charges	97	101
Carriage Inward	46	63
Other Manufacturing Expenses	67	76
<b>Total</b>	<b>732</b>	<b>931</b>

### Note-28: EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages & Bonus	1,143	1,151
Contribution to Provident and other Funds	91	100
Workmen & Staff welfare Expenses	241	389
<b>Total</b>	<b>1,475</b>	<b>1,640</b>



## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-29: FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Interest on Borrowings:</b>		
On Fixed Loans	312	137
On Others	788	747
Interest on finance lease obligations	-	-
<b>Total</b>	<b>1,100</b>	<b>884</b>

\* Interest to others includes interest on other advances.

### Note-30: OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Repairs &amp; Renewals:</b>		
Plant & Machinery	58	53
Building	10	17
Others	15	5
Lease Rent	9	9
Rental Charges other than lease	105	21
Auditors Remuneration (Note 31)	10	6
Insurance	5	18
Excise Duty on Inventories	-	18
Rates and related Taxes	14	37
Entry Taxes	-	-
Bank Commission and Banking Administration Charges	105	91
Packing Expenses	119	172
Freight Forwarding & Handling Expenses	289	342
Communication Expenses	23	30
Impairment (loss)/gain on financial assets	151	93
Travelling Conveyance	209	142
Miscellaneous Expenses	647	665
Prior period Errors	9	10
Donation	5	-
Corporate Social Responsibility Expenses (Note 32)	-	-
<b>Total</b>	<b>1,783</b>	<b>1,729</b>

### Note-31: DETAILS OF PAYMENT TO AUDITORS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>As Auditors</b>		
Audit Fees	10	6
Tax Audit Fee	-	-
<b>In other Capacity</b>		
Taxation matters	-	-
Company Law matters	-	-
Certification fees	-	-
Re-imbursement of Expenses	-	-
<b>Total</b>	<b>10</b>	<b>6</b>

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-32: CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Contribution to Charity Foundation	-	-
Outlay on Others CSR Projects	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Amount required to be spent as per Section 135 of the Act	-	-
Amount spent during the year On :	-	-
(1) Construction or Acquisition of Assets	-	-
(2) On purposes other than (1) above	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Excess/(Short) Amount Spend	-	-

### Note-33 : INCOME TAX EXPENSES

This note provides an analysis of the group's income tax expenses, show amounts that are recognised directly in equity and how the tax expenses is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the group's tax position.

#### (a) Income Tax Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Current Tax :</b>		
Current Tax on profits for the year	132	130
Adjustments for current tax of prior periods	-	-
<b>Total Current Tax Expenses</b>	<b>132</b>	<b>130</b>
<b>Deferred Tax :</b>		
Decrease/(Increase) in deferred tax on assets	(29)	(110)
(Decrease)/Increase in deferred tax on liabilities	27	(50)
Adjustments for deferred tax of prior periods	-	-
<b>Total Deferred tax expenses/(benefits)</b>	<b>(2)</b>	<b>(160)</b>
<b>Total Income Tax Expenses</b>	<b>130</b>	<b>(30)</b>
<b>Income Tax Expenses is attributable to :</b>		
Current Tax	132	130
Deferred Tax	(2)	(160)
<b>Total Tax Expenses Charged to SPL</b>	<b>130</b>	<b>(30)</b>
<b>Total Tax Expenses Charged against OCI</b>	<b>778</b>	<b>(8)</b>
<b>Total Tax Expenses</b>	<b>908</b>	<b>(38)</b>

#### (b) Income Tax Expense:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit from continuing operations before income tax expenses	657	802
Profit from discontinuing operations before income tax expenses	-	-
<b>Total Profit from operations</b>	<b>657</b>	<b>802</b>
<b>Tax at the Indian tax rate of 33.063% (2016-17: 34.608%)</b>	<b>217</b>	<b>277</b>
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income :</b>		
(a) Depreciation and Amortization expenses	29	50
(b) Donations and Expenses on non taxable Incomes	2	-

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-33 : INCOME TAX EXPENSES (Contd.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(c) Provision for Gratuity U/S 40(A)(7)	8	15
(d) Filling Fees for capital Increase	-	-
<b>(e) Ind AS Impact:</b>		
Impairment (loss)/gain on financial assets	50	32
Rental Charges other Than lease	5	1
Re-measurement of defined employee benefit plans	(5)	(9)
Restatement of Property, Plant & Equipment Depreciation on Capital Stores	-	1
Interest on Deferred Sales Tax Liability at amortised cost	-	1
(f) Expenses pertaining to previous year	3	-
(g) Profit on sale of fixed assets	(21)	(76)
(h) Amount Received by the Assessors from employees towards PF contributions	-	-
(i) Dividend received from subsidiaries taxable at specified rate	(25)	-
(j) Mat Credit/Debit	(58)	130
(k) Penalty	-	1
(l) Allowable U/S-43B & 35DDA	-	(15)
(m) Other Items adjusted	13	-
(n) Previously unrecognised tax losses recouped to reduce current tax expenses	(86)	(278)
<b>Current Income Tax Expenses</b>	<b>132</b>	<b>130</b>

### (c) Amount recognised directly in equity

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity:</b>		
<b>Current tax:</b> Share issue transaction cost	-	-
<b>Deferred tax:</b> Convertible bonds	-	-
<b>Total amount recognised directly in equity</b>	<b>-</b>	<b>-</b>

### (d) Tax losses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Unused tax losses for which no deferred tax has been recognised	-	258
<b>Potential tax benefits @ 33.063%</b>	<b>-</b>	<b>85</b>

### (e) Unrecognised temporary differences

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Temporary difference relating to investment in subsidiaries for which deferred tax liabilities have not been recognised:</b>		
Undistributed earnings	-	-
Unrecognised deferred tax liabilities relating to the above temporary differences	-	-

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-34: MOVEMENT IN DEFERRED TAX ASSETS-INCOME/ (LIABILITY-EXPENSE)

Name of the shareholders	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Through PL	Through OCI	Through PL	Through OCI
Property, Plant and Equipment	35	773	(55)	-
Intangible Assets	-	-	-	-
Employee Benefit Obligation	(27)	5	50	(8)
MAT Credit Entitlement	(58)	-	130	-
Impairment loss/(gain) on financial assets	53	-	34	-
<b>Impact of Deferred Tax Incomes/(Expenses)</b>	<b>2</b>	<b>778</b>	<b>160</b>	<b>(8)</b>

### NOTE-35: DISCLOSURE UNDER IND AS 19 "EMPLOYEE BENEFITS"

#### Defined Benefit Plan:

The employees' gratuity fund scheme (unfunded) is a defined benefit plan. The Present Value of obligations is determined based on actuarial valuation using the Projected Unit Cost Method.

#### (i) Post Employment Obligations

##### a) Gratuity

Gratuity is paid to employees under the Payment of Gratuity Act 1972 through unfunded scheme. The present value of obligation is determined based on actuarial valuation using projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

#### (ii) Defined contribution plans

The group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary and dearness allowances as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The group also contribute to Employee State Insurance (ESI) at the rate of 4.75% of basic salary as per the regulations. The ESI funds is maintained by appropriate authority of State Government.

The amounts recognised in the balance sheet and movements in the net defined benefits obligation over the year are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>1) Change in Defined Benefit Obligation :</b>		
Defined Benefit Obligation at the beginning of the year	336	292
Interest Cost	25	23
Current Service Cost	25	25
Benefits Paid	(12)	(29)
Actuarial Gain / (Loss) on Obligation	(16)	25
<b>Present Value of obligation as at the end of the year</b>	<b>358</b>	<b>336</b>
<b>2) Change in Fair Value of the Asset</b>		
Fair Value of the plan assets at the beginning of the year	-	-
Investment Income	-	-
Contributions	-	-
Benefits paid	-	-
Return on plan assets, excluding amount recognised in Net Interest Expenses	-	-
<b>Fair Value of Plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### NOTE-35: DISCLOSURE UNDER IND AS 19 "EMPLOYEE BENEFITS" (Contd.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>3) Net Asset/(Liability) recognised in the Balance Sheet</b>		
Fair Value of the Plan Assets	-	-
Present Value of the obligation as at the end of the year	358	336
<b>Amount recognized in Balance Sheet</b>	<b>(358)</b>	<b>(336)</b>
<b>4) Expenses recognised in the Income Statement</b>		
(under the head contribution to provident fund and other funds)		
Current Service Cost	25	25
Net Interest Income/(cost) on the Net Defined Benefit liability	25	23
<b>Expenses recognised in the statement of Profit and Loss</b>	<b>50</b>	<b>48</b>
<b>5) Other Comprehensive Income</b>		
Expected Return from Plan Asset	-	-
Net Actuarial Gain/(Loss) recognized in the year	(16)	25
<b>Components of defined benefit costs recognised in Other Comprehensive income</b>	<b>(16)</b>	<b>25</b>

The key assumptions used in the calculations are as follows :-

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Discount Rate	7.60% p.a.	7.35% p.a.	7.75% p.a.
Rate of increase in salaries	5.00% p.a.	5.00% p.a.	5.00% p.a.
Mortality	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate
Attrition Rate	2.00% p.a.	2.00% p.a.	2.00% p.a.

#### Sensitivity Analysis

Particulars	As at March 31, 2018		As at March 31, 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	389	331	366	310
% change compared to base due to sensitivity	8.59%	-7.56%	8.82%	-7.71%
Salary Growth (-/+1%)	330	390	310	366
% change compared to base due to sensitivity	-8.00%	8.97%	-7.76%	8.72%
Attrition Rate (-/+50%)	353	363	331	341
% change compared to base due to sensitivity	-1.52%	1.38%	-1.59%	1.43%
Mortality Rate (-/+10%)	357	359	335	337
% change compared to base due to sensitivity	-0.33%	0.33%	-0.35%	0.34%

#### Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the group is exposed to various risks in providing the above gratuity benefit which are as follows:

##### a. Interest Rate risk :

The plan exposes the group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

##### b. Liquidity Risk :

This is the risk that the group is not able to meet the short-term gratuity pay-outs. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### NOTE-35: DISCLOSURE UNDER IND AS 19 "EMPLOYEE BENEFITS" (Contd.)

#### c. Salary Escalation Risk :

The present value of the defined benefit plans calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

#### d. Demographic Risk :

The group has used certain mortality and attrition assumptions in valuation of the liability. The group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

#### e. Regulatory Risk :

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972(as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs.

### Note-36: FAIR VALUE MEASUREMENTS

#### (i) Financial instruments by category:

(₹ in Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Investments:									
Equity instruments	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	6,773	-	-	5,924	-	-	5,736
Cash and cash equivalents	-	-	288	-	-	198	-	-	129
Loans	-	-	10,772	-	-	10,777	-	-	11,020
Derivative financial assets	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	-	-	<b>17,833</b>	-	-	<b>16,899</b>	-	-	<b>16,885</b>
<b>Financial liabilities</b>									
Borrowings	-	-	8,279	-	-	7,585	-	-	6,226
Derivative financial liabilities	-	-	-	-	-	-	-	-	-
Trade payables	-	-	4,184	-	-	5,793	-	-	7,885
Other financial liabilities	-	-	2,069	-	-	2,187	-	-	1,017
<b>Total financial liabilities</b>	-	-	<b>14,532</b>	-	-	<b>15,565</b>	-	-	<b>15,128</b>

#### (ii) Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are,

- recognised and measured at fair value, and
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into three levels prescribed under the Ind AS 113 "Fair Value Measurements". An explanation of each level follows underneath the table.

#### Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2018 (₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments at FVPL</b>				
Equity instruments	-	-	-	-
Mutual funds	-	-	-	-

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-36: FAIR VALUE MEASUREMENTS (Contd.)

(₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
<b>Financial investments at FVOCI</b>				
Quoted equity investments	-	-	-	-
Unquoted equity investments	-	-	-	-
<b>Derivatives</b>				
Foreign exchange forward contracts	-	-	-	-
Foreign currency options	-	-	-	-
Interest rate swaps	-	-	-	-
<b>Total</b>	-	-	-	-

### Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2017 (₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments at FVPL</b>				
Equity instruments	-	-	-	-
Mutual funds	-	-	-	-
<b>Financial investments at FVOCI</b>				
Quoted equity investments	-	-	-	-
Unquoted equity investments	-	-	-	-
<b>Derivatives</b>				
Foreign exchange forward contracts	-	-	-	-
Foreign currency options	-	-	-	-
Interest rate swaps	-	-	-	-
<b>Total</b>	-	-	-	-

### Financial assets and liabilities measured at fair value - recurring fair value measurements At April 1, 2016 (₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments at FVPL</b>				
Equity instruments	-	-	-	-
Mutual funds	-	-	-	-
<b>Financial investments at FVOCI</b>				
Quoted equity investments	-	-	-	-
Unquoted equity investments	-	-	-	-
<b>Derivatives</b>				
Foreign exchange forward contracts	-	-	-	-
Foreign currency options	-	-	-	-
Interest rate swaps	-	-	-	-
<b>Total</b>	-	-	-	-

**Level 1 :** This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments(including bonds) which are traded in the stock exchanged is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2 :** Fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument as observable, the instrument is included in level 2.

**Level 3 :** If one or more of the significant inputs is not based on observable data, the instruments is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification assets.



## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-36: FAIR VALUE MEASUREMENTS (Contd.)

(iii) As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:

1. Trade receivables
2. Cash and cash Equivalents
3. Loans
4. Borrowings
5. Trade payables
6. Capital Creditors
7. Other payables

### Note-37: FINANCIAL RISK MANAGEMENT

The group's some portion of activities are expose to variety of financial risks i.e. credit risk and liquidity risk. The group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The group's financial instruments (excluding receivables from related parties) are influenced mainly by the individual characteristics of each customer. The group's exposure to credit risk is concentration of risk from the top few customers and the demographics of the customers.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and other financial instruments, financial assets measured at amortised cost.	Ageing analysis Credit rating.	Diversification of bank deposits, credit limits and letters of credit.
Liquidity risk	Borrowing and other liabilities.	Rolling cash flow forecasts.	Availability of committed credit lines and borrowing facilities.

#### (A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily trade receivables from customers other than government entities. These Trade receivables are typically unsecured and are derived from revenue earned from domestic and foreign customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess impairment loss or gain. the group uses a matrix to compute the expected credit loss allowance for trade receivable .

#### (i) Credit risk management

Credit risk is managed on each instrument basis. For Banks and financial institutions, only high rated banks /institutions are accepted. For other financial instruments, the group assess and maintain an internal credit rating system. The finance function consists of a separate team who assess and maintain internal credit rating system. Internal credit rating is performed on a group level basis for each class of financial instrument with different characteristics.

#### (ii) Provision for expected credit losses

##### Expected credit loss for trade receivables under simplified approach

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Gross Carrying amount	7,397	6,397	6,116
Expected loss rate	8%	7%	6%
Expected credit losses (Loss allowance provision)	-624	-473	-380
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>6,773</b>	<b>5,924</b>	<b>5,736</b>

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-37: FINANCIAL RISK MANAGEMENT (Contd.)

#### Significant estimates and judgements

##### Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### (B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the group's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in accordance with practice and limits set by the group. These limits vary by locations to take into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

##### (i) Sensitivity- Interest rate risk exposure

Profit or loss sensitive to higher/ lower of interest expense from borrowings as a result of changes in interest rates:

Particulars	Impact on profit after tax (*)	
	As at March 31, 2018	As at March 31, 2017
Interest rates- increase by 50 basis points (50 bps)	-2.25%	-1.59%
Interest rates- decrease by 50 basis points (50 bps)	2.25%	1.59%

\* Holding all other variables constant.

##### (ii) Cash flow and fair value interest rate risk

The group's main interest rate risk arises from long term borrowings with variable rates, which expose the group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2017 and March 31, 2016, the group's borrowings at variable rate were mainly denominated in INR.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

##### (iii) Price risk

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss .

To manage its price risk arising from investments equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group

Profit for the period would increase/ decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value through other comprehensive income.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-38: CAPITAL MANAGEMENT

#### (a) Risk management

The group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return on capital to shareholders or issue new shares. The group monitors capital using gearing ratio, which is net debt divided by total Equity. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of reporting period was as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Net Debt	3,574	3,301	2,260
Total Equity	23,578	21,247	18,211
<b>Net debt to Equity Ratio</b>	<b>0.15</b>	<b>0.16</b>	<b>0.12</b>

#### (b) Dividends

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(i) Equity shares:</b>		
Final dividend for the year ended 31.03.2018 of ₹ 0.20 (31.03.2017 ₹ NIL) per fully paid share.	131	-
Interim dividend for the year ended 31.03.2018 of ₹ NIL (31.03.2017 ₹ NIL) per fully paid share.	-	-
<b>(ii) Dividends not recognised at the end of the reporting period:</b>	-	-
In addition to the above dividends, since year end the directors have recommended the payment of final dividend of ₹ NIL per fully paid equity share (31.03.2017 ₹ NIL). This proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting.	-	-

### NOTE-39: SEGMENT INFORMATION REPORTING UNDER IND AS 108 "OPERATING SEGMENTS"

#### a) Primary Segment Information

(₹ in Lakhs)

Particulars	Manufacturing		Trading		Unallocable		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Segment Revenue:</b>								
External Turnover	7,817	10,411	10,892	5,457	-	-	18,709	15,868
Add : Inter Segment Turnover	-	-	-	-	-	-	-	-
<b>Gross Turnover</b>	<b>7,817</b>	<b>10,411</b>	<b>10,892</b>	<b>5,457</b>	<b>-</b>	<b>-</b>	<b>18,709</b>	<b>15,868</b>
Less : Excise duty/Service Tax recovered	-192	-873	-	-	-	-	-192	-873
Less : Inter Segment Turnover	-	-	-	-	-	-	-	-
<b>Segment Total Revenue</b>	<b>7,625</b>	<b>9,538</b>	<b>10,892</b>	<b>5,457</b>	<b>-</b>	<b>-</b>	<b>18,517</b>	<b>14,995</b>
<b>Segments Results:</b>								
Segments Results (PBIT)	2,354	2,317	1,233	2,179	-	-	3,587	4,496
Less : Unallocated corporate expenses net of unallocated income	-	-	-	-	-1,228	-893	-1,228	-893

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### NOTE-39: SEGMENT INFORMATION REPORTING UNDER IND AS 108 "OPERATING SEGMENTS" (Contd.)

Particulars	Manufacturing		Trading		Unallocable		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Operating Profit</b>	<b>2,354</b>	<b>2,317</b>	<b>1,233</b>	<b>2,179</b>	<b>-1,228</b>	<b>-893</b>	<b>2,359</b>	<b>3,603</b>
(a) Interest Expenses	-	-	-	-	-1,203	-972	-1,203	-972
(b) Interest Income	-	-	-	-	181	266	181	266
<b>Profit before Tax</b>	<b>2,354</b>	<b>2,317</b>	<b>1,233</b>	<b>2,179</b>	<b>-2,250</b>	<b>-1,599</b>	<b>1,337</b>	<b>2,897</b>
(a) Current Tax	-	-	-	-	132	130	132	130
(b) Deferred Tax	-	-	-	-	-2	-160	-2	-160
<b>Profit after Tax</b>	<b>2,354</b>	<b>2,317</b>	<b>1,233</b>	<b>2,179</b>	<b>-2,380</b>	<b>-1,569</b>	<b>1,207</b>	<b>2,927</b>
<b>Segment Assets and Liabilities:</b>								
Segment Assets	22,166	22,447	17,348	10,190	6,163	2,561	45,677	35,198
Segment Liabilities	4,338	5,976	9,857	4,355	7,905	6,656	22,100	16,987

#### b) Secondary Segment Information

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>1. Segment Revenue - External Turnover</b>		
Within India	13,159	12,085
Outside India	5,358	2,910
<b>Total Segment Revenue</b>	<b>18,517</b>	<b>14,995</b>
<b>2. Segment Assets</b>		
Within India	22,901	12,362
Outside India	22,776	22,836
<b>Total Segment Assets</b>	<b>45,677</b>	<b>35,198</b>

- Primary Segment** : Business segment has been identified as primary segment on the basis of the products of the group. Accordingly, the group has identified Packaging Product, Mosquito Coil, Metal Products, Engineering & Others as the business segment.
  - Packaging consists of manufacture and sale of PP Cap, Crown Closures, Metal Containers, EP Liners, Washer, EP Sheets etc.
  - Mosquito Coils consists of manufacture and sale of Mosquito Repellent coils.
  - Metal Product consists of manufacture and sale of Aluminium and Steel galvanized sheets, coils etc.
  - Engineering & others consists of Manufacturing and Sales of Machine, Spare Parts etc.
- Secondary Segment** : Geographical segment has been identified as secondary segment. Geographical segments considered for disclosure are :
  - Within India
  - Outside India

### NOTE-40: EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
i) Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders	1,207	2,926
ii) Weighted Average number of equity shares used as denominator for calculating EPS (Nos.)	6,55,34,050	6,55,34,050
iii) Face Value per Equity Share (₹)	1.00	1.00
iv) Basic and Diluted Earnings per share (₹)	<b>1.84</b>	<b>4.47</b>

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### NOTE-41: FOREIGN EXCHANGE

(₹ in Lakhs)

Earnings in foreign exchange	As at March 31, 2018	As at March 31, 2017
i) FOB Value of Exports (including freight realised)	622	206
<b>Total</b>	<b>622</b>	<b>206</b>

(₹ in Lakhs)

Expenditure in foreign currency	As at March 31, 2018	As at March 31, 2017
i) Interest and finance charges	10	17
ii) Other Expenses	38	32
<b>Total</b>	<b>48</b>	<b>49</b>

(₹ in Lakhs)

CIF value of imports	As at March 31, 2018	As at March 31, 2017
i) Capital Goods	-	179
ii) Raw materials and other purchases	1,940	2,176
<b>Total</b>	<b>1,940</b>	<b>2,355</b>

### NOTE-42: CONTINGENT LIABILITY

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
i) Guarantees given by group's bankers on behalf of the group:		
a) Guarantees issued in favour of electricity department and other agencies.	34	40
ii) Claims against the group not acknowledged as debts:		
a) Service Tax	34	43
b) Excise Duty demand under appeal	1,047	549
c) Entry Tax	71	71
d) Others	2	2
iii) Corporate Guarantees given by group.	-	-
<b>Total</b>	<b>1,188</b>	<b>705</b>

- a. However as per management perception, the above liabilities will not devolve upon the group in future.
- b. The nine-member bench of Hon'ble Supreme Court vide Order dated 11-11-2016 passed in the case of Jindal Stainless Limited & Others v. State of Haryana & Others [Civil Appeal No. 3453 OF 2002] held the 'concept of Discriminatory Taxes' as the parameter for determining as to whether the levy of Entry Tax is violate of Article 301 of Constitution of India. In terms with the opinion taken by us from Legal Counsel, the levy of Entry Tax in the State of West Bengal is DISCRIMINATORY in nature and therefore the levy may not uphold in the court of law. Hence, the provision made by the parent company for Entry Tax has been reversed and liability of Entry Tax has been shown in the contingent liability.

### NOTE-43: CAPITAL COMMITMENTS

(₹ in Lakhs)

Earnings in foreign exchange	As at March 31, 2018	As at March 31, 2017
Estimated value of contracts in capital account remaining to be executed.	-	-

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### NOTE-44: RELATED PARTY DISCLOSURE AS PER Ind AS 24

#### (I) List of Related parties:

##### (a) Associates and Joint Arrangements:

The group do not have any associates and joint arrangements.

##### (b) Subsidiaries:

Name	Country	Acquired in Financial Year	% of Holding
(i) Euroasian Ventures FZE	UAE	2011-12	100%
(ii) Euroasian Steels LLC (step-down subsidiary of above (i))	Georgia	2011-12	88%
(iii) Glitter Agencies Private Limited	India	2016-17	100%
(iv) Jiwanjyoti Vanijya Private Limited	India	2016-17	100%
(v) BK Manaksia Nigeria Limited	Nigeria	2017-18	100%

##### (c) Key Managerial Personnel:

Name	Designation
Mr. Basant Kumar Agrawal	Chairman cum Managing Director
Mr. Navneet Manaksia	Whole-time Director
Mr. Aditya B. Manaksia	Whole-time Director
Mr. Sandeep Kumar Sultania	Chief Financial Officer

The Company Secretary (Ms. Surbhi Shah) has not been considered as related party as she is not having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

##### (d) Close Family members of Key Managerial Personnel:

Name	Relationships
Mrs. Saroj Devi Agrawal	Wife of Basant Kumar Agrawal

##### (e) Entities where Key Managerial Personnel has significant influence:

Name	Relationships
Arena Machineries Limited	KMP has significant influence.
Kohinoor Commodeal Private Limited	KMP has significant influence.

#### (II) Balances and Transactions with Related Parties:

(₹ in Lakhs)

Related Parties	Nature of Transactions	Net Transaction During the Period	
		As at March 31, 2018	As at March 31, 2017
Mr. Basant Kumar Agrawal	Remuneration Paid	84	69
Mr. Navneet Manaksia		54	36
Mr. Aditya B. Manaksia		54	38
Mr. Sandeep Kumar Sultania		55	35
Mr. Amit Chakraborty		-	14
Mr. Ajay Kumar Chakraborty	Director Sitting Fees	-	-
Dr. Kali Kumar Chaudhuri		-	-
Mrs. Smita Khaitan		1	-
Mr. Amitabha Guha		-	-
Arena Machineries Limited	Purchase of Goods or Services	61	145
Euroasian Ventures FZE		-	10
Kohinoor Commodeal Private Limited		75	-
Arena Machineries Limited	Sale of Goods or Services	99	264
Euroasian Ventures FZE		668	-
Euroasian Steels LLC.		32	12

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### NOTE-44: RELATED PARTY DISCLOSURE AS PER Ind AS 24 (Contd.)

(₹ in Lakhs)

Related Parties	Nature of Transactions	Net Transaction During the Period	
		As at March 31, 2018	As at March 31, 2017
Euroasian Ventures FZE	Income from Technical Know How Fees	466	-
Glitter Agencies Private Limited	Rent Security Deposits Given	-	450
Jiwanjyoti Vanijya Private Limited		-	450
Kohinoor Commodeal Private Limited		295	-
Glitter Agencies Private Limited	Investments in Equity Shares	-	499
Jiwanjyoti Vanijya Private Limited		-	499
BK Manaksia Nigeria Limited		82	-
Euroasian Ventures FZE	Loan Given	111	49
Euroasian Ventures FZE	Interest Income	19	33
Euroasian Ventures FZE	Dividend Income	154	-
Glitter Agencies Private Limited	Rent Paid	7	2
Jiwanjyoti Vanijya Private Limited		7	2
Kohinoor Commodeal Private Limited		75	-
Mr. Aditya B. Manaksia		5	-

(₹ in Lakhs)

Name	Nature of Transactions	Net Transaction During the Period		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Investments in Equity Shares:				
(i) Euroasian Ventures FZE	Investments in Subsidiary	3,239	3,239	3,239
(ii) Glitter Agencies Private Limited	Investments in Subsidiary	499	499	-
(iii) Jiwanjyoti Vanijya Private Limited	Investments in Subsidiary	499	499	-
(iv) BK Manaksia Nigeria Limited	Investments in Subsidiary	82	-	-
(b) Inter-corporate Loans and Deposits:				
(i) Glitter Agencies Private Limited	Rent Security Deposits	450	450	-
(ii) Jiwanjyoti Vanijya Private Limited	Rent Security Deposits	450	450	-
(iii) Kohinoor Commodeal Private Limited	Rent Security Deposits	295	-	-
(iv) Euroasian Ventures FZE	Loans Receivable	118	864	799
(c) Trade Receivables:				
(i) Arena Machineries Limited	Trade Receivable	-	-	332
(ii) Euroasian Steels LLC	Trade Receivable	45	12	-
(ii) Euroasian Ventures FZE	Trade Receivable	586	-	

- Transactions have taken place on arm's length basis.
- No amount in respect of debts pertaining to the related parties have been written off or written back during the year.
- No provision for doubtful debts is required to be made for the year in respect of debt due from related parties.



## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### NOTE-45: FINANCIAL HEDGING INSTRUMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Foreign currency payables covered by natural hedge from receivable of Exports & Loans.	-	-	-
(ii) Foreign currency exposure Receivable which are not hedged.	-	-	-
(iii) For hedging Currency Related Risks :			
Forward Contracts - Outstanding Nominal Value*	-	-	-

\* No hedging instruments was outstanding at the end of both current as well as previous financial year.

### NOTE-46: ASSETS PROVIDED AS SECURITY

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current Assets:</b>			
<b>Financial Assets</b>			
Trade Receivables	5,054	3,825	3,579
Other Financial Assets	-	-	-
<b>Non Financial Assets</b>			
Inventories	5,684	5,708	4,892
<b>Total Current assets provided as security</b>	<b>10,738</b>	<b>9,533</b>	<b>8,471</b>
<b>Non Current assets:</b>			
Property, Plant and Equipment	5,396	3,054	3,190
Intangible Assets	37	48	59
Investments	998	998	-
<b>Total Non - Current assets provided as security</b>	<b>6,431</b>	<b>4,100</b>	<b>3,249</b>
<b>Total Assets provided as Security</b>	<b>17,169</b>	<b>13,633</b>	<b>11,720</b>

### NOTE-47: OBLIGATION ON LONG-TERM, NON-CANCELLABLE OPERATING LEASES PAYABLES AS PER AGREEMENT

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Future minimum lease payable</b>			
Not Later than 1 year	104	14	-
Later than 1 year and not later than 5 years	418	58	-
Later than 5 year	1,141	780	-
<b>Total</b>	<b>1,663</b>	<b>852</b>	<b>-</b>

### NOTE-48: RECOGNITION OF CORPORATE GUARANTEE AS FINANCIAL LIABILITY

Financial guarantee are contractual right of the lender to receive cash from the guarantor, and a corresponding contractual obligation of the guarantor to pay the lender, if the borrower defaults. The contractual right and obligation exist because of a past transaction or event (assumption of the guarantee), even though the lender's ability to exercise its right and the requirement for the guarantor to perform under its obligation are both contingent on a future act of default by the borrower. A contingent right and obligation meet the definition of a financial asset and a financial liability, even though such assets and liabilities are not always recognised in the financial statements. Based on the measurement principles laid down under Ind AS 109 "Financial Instrument :Recognition and Measurement", the fair value of all those financial guarantee contracts reasonable below to the materiality threshold limit set by the group. Accordingly the group has made appropriate disclosure in Note 41 without additionally recognising any financial assets or liability.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### NOTE-49: MICRO, SMALL AND MEDIUM (MSME) DUES DISCLOSURE

Disclosure of payables to MSME vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the group regarding the status of registration of such vendors under the said Act, as per the information received from them on requests made by the group.

There are no Micro, Small and Medium Enterprises (MSME) to whom the group owes dues which are outstanding for a period of more than 45 days as at the balance sheet date. The above information and that given under current liabilities regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the group.

### NOTE-50: ESTIMATED USEFUL LIVES OF PROPERTY, PLANT & EQUIPMENT (PPE)

Financial Classification	Nature	Useful Lives	
		As per Management Estimate	As per Schedule-II of Companies Act 2013
Freehold Building	Building and Factory Sheds	10 to 20	30
	Staff Quarters	60	60
	Tube well/Bore well/Boundary Wall	30	5
	Road	10	10
Furniture & Fixtures	Electrical Installation	10 to 15	10
	Furniture & Fixtures	10	10
Office Equipment	Computer Devices	3 to 10	3
	Computer Network	6	6
	Office Equipment	5 to 15	5
Plant & Machinery	Air Condition	5 to 15	15
	Plant & Machinery	1 to 15	15
Vehicles	Cycle	10	1
	Vehicle other than on Hire	8	8
	Vehicle on Hire	6	6

# The useful life has remained constant for transition, comparative and reporting period.

### NOTE-51 : ENTERPRISES CONSOLIDATED AS SUBSIDIARY IN ACCORDANCE WITH IND AS 110 "CONSOLIDATED FINANCIAL STATEMENTS"

SR. No.	Name of the Enterprises	Name of the Enterprises	Percentage of ownership interest as on March 31, 2018	Percentage of ownership interest as on March 31, 2018	Percentage of ownership interest as on April 1, 2016
1	Euroasian Ventures FZE	UAE	100%	100%	100%
2	Euroasian Steels LLC	Georgia	88%	88%	88%
3	Glitter Agencies Private Limited	India	100%	100%	-
4	Jiwanjyoti Vanijya Private Limited	India	100%	100%	-
5	B K Manaksia Nigeria Limited	Nigeria	100%	-	-

# Euroasian Steels LLC is a step-down subsidiary of Euroasian Ventures FZE which holds 87.50%.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### NOTE-52: REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Particulars	Revaluation of Land (Unit-wise)				
	Hyderabad	Belur	Silvassa	Liluah	Bankura
Date of Revaluation Report	March 11, 2017	October 24, 2017	March 31, 2017	July 27, 2017	June 28, 2017
Effective date of the revaluation	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
Revaluation by	M/s R.K. Associates Valuers & Techno Engineering Consultants Pvt. Ltd.	NANDI and Associates	M/s R.K. Associates Valuers & Techno Engineering Consultants Pvt. Ltd.	NANDI and Associates	M/s R.K. Associates Valuers & Techno Engineering Consultants Pvt. Ltd.
Carrying amount before revaluation	2	2	5	9	9
Revaluation Amount	849	234	273	866	11
Carrying amount after revaluation	851	236	278	875	20
Depreciation	Land was not considered as a depreciable asset.	Land was not considered as a depreciable asset.	Land was not considered as a depreciable asset.	Land was not considered as a depreciable asset.	Land was not considered as a depreciable asset.
Fair value Hierarchy	II	II	II	II	II
Valuation techniques	Comparable Market Sales Approach	Land Development Method	Land Development Method	Land Development Method	Comparable Market Sales Approach

### NOTE-53: NATURE AND PURPOSE OF RESERVES DISCLOSED UNDER OTHER EQUITY

Particulars	Purpose
(a) Capital Reserve	Capital Reserve was created in the financial year 2014-15 as a result of cancellation of shares.
(b) General Reserve	General Reserve has been created to comply with requirements of erstwhile Company's Act 2013 and dividend for the financial year 2016-17 was declared during financial year 2017-18 out of this reserve.
(c) Retained Earnings	Retained Earnings contains the balance of retained earnings to carry forward. It is fully distributable and shown as part of shareholders' reserves on the balance sheet date.
(d) Securities Premium Reserve	Securities Premium Reserve has been created against issue of equity shares.
(e) Revaluation Reserves	Revaluation reserves was created through Other Comprehensive Income (OCI) during financial year 2017-18 as a results of first-time revaluation of Land.
(f) Exchange Fluctuation Reserves	Exchange Fluctuation was created with regards to conversion of groups monetary items under Ind AS 110 on account of consolidation.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### NOTE-54: COVENANTS OF BORROWINGS

Details of Repayment Schedule, Interest Rate of Borrowings as on March 31, 2018 :

Particulars of Loans	Repayment Tenure	Rate of Interest
(a) HDFC Vehicle Loan-45301374	47 EMI	8.51%
(b) HDFC Vehicle Loan-44604703	23 EMI	9.50%
(c) HDFC Vehicle Loan-44604996	22 EMI	9.50%
(d) HDFC Vehicle Loan-47472636	26 EMI	9.25%
(e) HDFC Vehicle Loan-47474049	26 EMI	9.25%
(f) HDFC Vehicle Loan-47472193	26 EMI	9.25%
(g) Kotak Mahindra Vehicle Loan-11656161	3 EMI	9.73%
(h) Indiabulls Term Loan-HHLKLM00311157	106 EMI	11.50%
(i) Indiabulls Term Loan-HHLKLM00310690	106 EMI	11.50%
(j) Indiabulls Term Loan-HHEKLM00313016	107 EMI	11.50%
(k) Indiabulls Term Loan-HHEKLM00313395	108 EMI	11.50%
(l) ICICI Bank Term-Loan	16 Quarterly	10.75%

Details of Repayment Schedule, Interest Rate of Borrowings as on March 31, 2017 :

Particulars of Loans	Repayment Tenure	Rate of Interest
(a) HDFC Vehicle Loan-45301374	59 EMI	8.51%
(b) HDFC Vehicle Loan-44604703	35 EMI	9.50%
(c) HDFC Vehicle Loan-44604996	34 EMI	9.50%
(d) Kotak Mahindra Vehicle Loan-11656161	15 EMI	9.73%
(e) SBI Long-Term Loan	2 Quarterly	11.00%
(f) Indiabulls Term Loan-HHLKLM00311157	118 EMI	11.50%
(g) Indiabulls Term Loan-HHLKLM00310690	118 EMI	11.50%
(h) Indiabulls Term Loan-HHEKLM00313016	119 EMI	11.50%
(i) Indiabulls Term Loan-HHEKLM00313395	120 EMI	11.50%

Details of Repayment Schedule, Interest Rate of Borrowings as on March 31, 2016 :

Particulars of Loans	Repayment Tenure	Rate of Interest
(a) Kotak Mahindra Vehicle Loan-11656161	27 EMI	9.73%
(b) SBI Long-Term Loan	4 Quarterly	10.50%

# Notes to the Consolidated Financial Statements

## NOTE - 55: ADDITIONAL INFORMATION, AS REQUIRED UNDER DIVISION-II OF SCHEDULE-III TO THE COMPANIES ACT, 2013

as at and for the year ended March 31, 2018

Name of the Enterprise	Net Assets (i.e. total assets minus total liabilities)				Net Assets (i.e. total assets minus total liabilities)				Share in Other Comprehensive Income (OCI)				Share in Other Comprehensive Income (OCI)					
	As % of Consolidated Net Assets		Amount (INR in Lakhs)		As % of Consolidated Profit or (Loss)		Amount (INR in Lakhs)		As % of Consolidated OCI		Amount (INR in Lakhs)		As % of Consolidated TCI		Amount (INR in Lakhs)			
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017		
Parent:																		
BKM Industries Limited	53%	50%		12,520	10,631	9,817	46%	29%	558	834	100%	100%	2,678	2,909	83%	64%	3,236	3,743
Sub-total (A)				12,520	10,631	9,817			558	834			2,678	2,909			3,236	3,743
Subsidiary:																		
(a) Indian:																		
1. Glitter Agencies Private Limited	2%	2%	-	456	479	-	(2%)	-	(23)	(9)	-	-	-	-	-1%	-	(23)	(9)
2. Jiwaniyoti Vaniya Private Limited	2%	2%	-	453	478	-	(2%)	-	(25)	(10)	-	-	-	-	-1%	-	(25)	(10)
Sub-total (B)				909	957	-			(48)	(19)		-	-				(48)	(19)
(b) Foreign:																		
1. Euroasian Ventures FZE	84%	87%	92%	19,762	18,515	16,830	110%	72%	1,332	2,117	-	-	-	-	34%	36%	1,332	2,117
2. Euroasian Steels LLC	6%	6%	7%	1,308	1,292	1,298	-	-	(2)	(5)	-	-	-	-	-	-	(2)	(5)
3. BK Manakia Nigeria Limited	-	-	-	71	-	-	(1%)	-	(14)	-	-	-	-	-	-	-	(14)	-
Sub-total (C)				21,141	19,807	18,128			1,316	2,112		-	-				1,316	2,112
Grand total (A+B+C)				34,570	31,395	27,945			1,827	2,927		2,678	2,909				4,504	5,836
Inter-group elimination and consolidation adjustments (D)	(47%)	(48%)	(53%)	(10,993)	(10,148)	(9,734)	(51%)	-	(619)	-	-	-	-	-	(16%)	-	(619)	-
Amount considered in consolidated financial statements [(E)=(A+B+C+D)]				23,577	21,247	18,211			1,207	2,927		2,678	2,909				3,885	5,836
Minority Interest in all subsidiaries included in (E) above				163	162	175			-	1		-	-				-	1

# One of the subsidiary named BKM Agrotech Private Limited an Indian Subsidiary for which subscription money was not paid during financial year 2017-18 and further the subsidiary has no operation during the financial year 2017-18.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-57: FIRST-TIME ADOPTION OF IND AS

These are the group's first consolidated financial statement prepared in accordance with Ind AS.

The accounting policy set out in Note 2 have been applied in preparing the Consolidated Financial Statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance sheet at April 1, 2016 (transition date). In preparing its opening Ind AS balance sheet, the group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

Set out below are the applicable Ind AS 101 optional Exemption and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### A. Exemption Availed

##### 1. Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant & Equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly the group has elected to measure all of its Property, Plant & Equipment, Intangible assets at their previous GAAP carrying value.

##### 2. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The group has elected to apply this exemption for its investment in equity investments.

##### 3. Cumulative Translation Difference

Ind AS 101 permits cumulative translation gains or losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation difference in accordance with Ind AS 21 from the date of subsidiary or equity method investee was formed or acquired. The group has elected to reset all cumulative translation gains or losses to zero by transferring it to opening retained earnings at its transition date.

#### B. Mandatory Exceptions

##### 1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVOCI; and
- Impairment loss/gain on Financial assets.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-57: FIRST-TIME ADOPTION OF IND AS (Contd.)

#### 2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

#### 3. De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

#### 4. Non-controlling Interest

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of parent and to non controlling interests. This requirement needs to be followed even if this results in deficit balance of the non controlling interest. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the group has applied the above requirement prospectively.

### C. Transition to Ind AS-Reconciliation

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- Reconciliation of Consolidated Balance sheet as at April 1, 2016 and March 31, 2017.
- Reconciliation of Consolidated Statement of Profit and Loss for the year ended March 31, 2017.
- Reconciliation of Consolidated Cash Flows for the year ended March 31, 2017.
- Reconciliation of Equity as at April 1, 2016 and March 31, 2017

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Consolidated Financial Statements of the group prepared in accordance with Previous GAAP.



## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-57: FIRST-TIME ADOPTION OF IND AS (Contd.)

#### I. Reconciliations of Consolidated Balance Sheet as at April 1, 2016 and March 31, 2017

##### (a) Reconciliations of Consolidated Balance Sheet as at April 1, 2016

(₹ in Lakhs)

Particulars	Notes	As at April 1, 2016	Adjustments	As at April 1, 2016
		(Previous GAAP)		(Ind AS)
<b>I. ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and Equipment	1 & 6	10,667	28	10,695
(b) Capital work-in-progress		1,106	-	1,106
(c) Intangible assets		64	-	64
(d) Intangible assets under development		-	-	-
(e) Financial Assets			-	-
(i) Investments		-	-	-
(ii) Trade receivables		-	-	-
(iii) Loans	4	74	(7)	67
(iv) Other financial assets		-	-	-
(f) Deferred tax assets (net)		-	-	-
(g) Other non-current assets	4	-	7	7
<b>2. Current assets</b>				
(a) Inventories	1	5,574	(43)	5,531
(b) Financial Assets				-
(i) Investments		-	-	-
(ii) Trade receivables	3	6,003	(267)	5,736
(iii) Cash & cash equivalents	4	129	(2)	127
(iv) Bank balances other than (iii) above		-	-	-
(v) Loans	4	11,861	(908)	10,953
(vi) Other financial assets	4	-	2	2
(c) Current Tax Assets (net)	4	-	144	144
(d) Other current assets	4	-	764	764
<b>3. Non-current assets held for disposal</b>	<b>4</b>	-	2	2
<b>TOTAL</b>		<b>35,478</b>	<b>(280)</b>	<b>35,198</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1. Equity</b>				
(a) Equity Share Capital		655	-	655
(b) Other Equity	4	17,589	(208)	17,381
<b>Attributable to owners of BKM Industries Limited</b>		<b>18,244</b>	<b>(208)</b>	<b>18,036</b>
Non-controlling Interest		175	-	175
<b>2. Liabilities</b>				
<b>(i) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	7	1,436	(16)	1,420
(ii) Trade payables		-	-	-
(iii) Other financial liabilities		35	-	35
(b) Provisions	4 & 5	292	(31)	261
(c) Deferred tax liabilities (net)	2	311	(56)	255
(d) Other non-current liabilities		-	-	-
<b>(ii) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		4,806	-	4,806
(ii) Trade payables	4	8,418	(533)	7,885
(iii) Other financial liabilities	4		982	982
(b) Other current liabilities	4	1,613	(449)	1,164
(c) Provisions	4 & 5	148	31	179
<b>TOTAL</b>		<b>35,478</b>	<b>(280)</b>	<b>35,198</b>

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-57: FIRST-TIME ADOPTION OF IND AS (Contd.)

#### (b) Reconciliations of Consolidated Balance Sheet as at March 31, 2017

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2017 (Previous GAAP)	Adjustments	As at March 31, 2017 (Ind AS)
<b>I. ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and Equipment	1 & 6	13,508	26	13,534
(b) Capital work-in-progress		1,149	-	1,149
(c) Intangible assets		53	-	53
(d) Intangible assets under development		-	-	-
(e) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables			-	-
(iii) Loans	4	74	(7)	67
(iv) Other financial assets		-	-	-
(f) Deferred tax assets (net)		-	-	-
(g) Other non-current assets	4	-	7	7
<b>2. Current assets</b>				
(a) Inventories	1	6,344	(44)	6,300
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	3	6,284	(360)	5,924
(iii) Cash & cash equivalents	4	197	(57)	140
(iv) Bank balances other than (iii) above			-	-
(v) Loans	4	11,614	(904)	10,710
(vi) Other financial assets	4	-	58	58
(c) Current Tax Assets (net)	4	-	82	82
(d) Other current assets	4	-	823	823
<b>3. Non-current assets held for disposal</b>		-	-	-
<b>TOTAL</b>		<b>39,223</b>	<b>(376)</b>	<b>38,847</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1. Equity</b>				
(a) Equity Share Capital		655	-	655
(b) Other Equity	4	20,519	(89)	20,430
<b>Attributable to owners of BKM Industries Limited</b>		<b>21,174</b>	<b>(89)</b>	<b>21,085</b>
Non-controlling Interest		162	-	162
<b>2. Liabilities</b>				
<b>(i) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	7	2,701	(12)	2,689
(ii) Trade payables			-	-
(iii) Other financial liabilities		-	1,369	1,369
(b) Provisions	4 & 5	336	(32)	304
(c) Deferred tax liabilities (net)	2	363	(276)	87
(d) Other non-current liabilities	4	1,369	(1,369)	-
<b>(ii) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		4,896	-	4,896
(ii) Trade payables	4	6,326	(533)	5,793
(iii) Other financial liabilities	4	-	818	818
(b) Other current liabilities	4	1,630	(285)	1,345
(c) Provisions	4 & 5	266	33	299
<b>TOTAL EQUITY and LIABILITIES</b>		<b>39,223</b>	<b>(376)</b>	<b>38,847</b>

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-57: FIRST-TIME ADOPTION OF IND AS (Contd.)

#### (C) Reconciliation of Consolidated Statement of Profit and Loss for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Notes	As at	Adjustments	As at
		March 31, 2017 (Previous GAAP)		March 31, 2017 (Ind AS)
<b>Income</b>				
I. Revenue from Operations	4	14,999	(4)	14,995
II. Other Income	4	591	(216)	375
III. Other Gains/(Losses)	4	-	183	183
<b>Total Income</b>		<b>15,590</b>	<b>(37)</b>	<b>15,553</b>
<b>IV. Expenses</b>				
(a) Cost of Materials Consumed		4,714	-	4,714
(b) Change in Inventories (Increase)/decrease		(786)	-	(786)
(c) Purchase of Stock In Trade		3,152	-	3,152
(d) Depreciation and Amortization expenses	1	390	2	392
(e) Operating And Selling Expenses	4	-	931	931
(f) Employee Benefit Expenses	5	1,665	(25)	1,640
(g) Finance cost	4 & 7	971	(88)	884
(h) Other Expenses	4 & 3	2,478	(749)	1,729
<b>Total expenses</b>		<b>12,584</b>	<b>72</b>	<b>12,656</b>
<b>V. Profit Before exceptional items and tax</b>		<b>3,006</b>	<b>(109)</b>	<b>2,897</b>
Exceptional items	4	(37)	37	-
<b>VI. Profit before Taxes</b>		<b>2,969</b>	<b>(72)</b>	<b>2,897</b>
<b>VII. Tax Expenses</b>				
(a) Current Tax		130	-	130
(b) Deferred Tax Expenses/(Income)	2	52	(211)	(160)
<b>VIII. Profit (Loss) for the Period</b>		<b>2,787</b>	<b>139</b>	<b>2,927</b>
<b>XI. Other Comprehensive Income</b>				
<b>A (i) Items that will not be reclassified to profit or loss :</b>				
(a) Changes in investments in equity shares carried at Fair Value through OCI		-	-	-
(b) Re-measurement of defined employee benefit plans	5	-	(25)	(25)
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss :</b>				
- on Revaluation Surplus on Property, Plant & Equipment		-	-	-
- on Re-measurement of defined employee benefit plans		-	-	-
<b>B (i) Items that will be reclassified to profit or loss:</b>				
(a) Changes in investments other than equity shares carried at Fair Value through OCI (FVOCI)		-	-	-
<b>(ii) Income tax relating to items that will be reclassified to profit or loss :</b>				
		-	-	-
<b>XII. Total Other comprehensive Income after tax</b>	5	<b>-</b>	<b>(25)</b>	<b>(25)</b>
<b>XIII. Total comprehensive income for the period</b>		<b>2,787</b>	<b>114</b>	<b>2,902</b>

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-57: FIRST-TIME ADOPTION OF IND AS (Contd.)

#### (d) Reconciliation of Statement of Cash Flows as at March 31, 2017

(₹ in Lakhs)

Particulars	As at March 31, 2017 (Previous GAAP)	Adjustments	As at March 31, 2017 (Ind AS)
Net Cash Inflow/ (Outflow) from Operating Activities	2,333	85	2,418
Net Cash Inflow/ (Outflow) from Investing Activities	(3,026)	250	(2,776)
Net Cash Inflow/ (Outflow) from Financing Activities	372	1	371

#### (e) Reconciliation of Equity as at April 1, 2016 and March 31, 2017

Particulars	Note No	As at March 31, 2017	As at April 1, 2016
Total equity as per previous GAAP		21,174	18,245
Deferred taxes under balance sheet approach	2	276	56
Reserves for equity instruments through OCI	-	-	-
Grant Income on Deferred Sales Tax	7	37	37
Unrecognized Interest on Interest Free Loan	7	(26)	(22)
Restatement of Property, Plant and Equipment	1	(16)	(13)
Unwinding of Interest on Security Deposits	-	-	-
Impairment Losses on Financial Assets	3	(360)	(267)
<b>Total equity as per Ind AS</b>		<b>21,085</b>	<b>18,036</b>

#### 1. Property, Plant and Equipment :

As per Ind AS 16 "Property, Plant and Equipment", items such as Spare Part, Stand-by Equipment and Servicing equipment are recognised as Property, Plant and Equipment when they meet the definition of "Property, Plant and Equipment". The group has reclassified some major items of stores and spares into Property, Plant and Equipment as on the date of transition and its accumulated depreciation impact from the date when such assets were available for use charged to opening retained earnings as on the date of transition as follows:

- (i) Original Cost of major spares re-classified into "Property, Plant and Equipment": ₹ 43 Lakhs.
- (ii) Accumulated depreciation adjusted against retained earnings: ₹ 13 Lakhs.
- (iii) Additional depreciation on above: ₹ 2 Lakhs.

#### 2. Deferred Taxes

Under previous GAAP, deferred taxes were recognised based on Profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS 12 "Income Taxes", deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Consequently the impact is as below :

- (a) As on Transition date i.e. April 1, 2016: ₹ 56 Lakhs of deferred tax assets.
- (b) As on Comparative date i.e. March 31, 2017: ₹ 276 Lakhs of deferred tax assets.

#### 3. Impairment of Trade receivables

As per Ind AS 109 Financial Instruments "Recognition and Measurement", the group is required to apply expected credit loss model for recognising the impairment loss on trade receivables. Accordingly, the group has created additional allowances for impairment loss (exclusive of fully credit impaired receivables) to the tune of following amounts:

- (a) As on Transition date i.e. April 1, 2016: ₹ 267 Lakhs.
- (b) As on Comparative date i.e. March 31, 2017: ₹ 93 Lakhs.

#### 4. Reclassification and Regrouping

As per Ind AS 101 "First-time Adoption of Indian Accounting Standards" reclassify items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs. Accordingly the group has reclassified certain items based on its nature.

## Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

### Note-57: FIRST-TIME ADOPTION OF IND AS (Contd.)

#### 5. Defined Benefit Obligations

Under Ind AS 19 "Employee Benefits", the obligations are measured on a discounted basis because they may be settled many years after the employees render the related service. Accordingly, the group has written-back an amount of ₹ 25 Lakhs for comparative period.

#### 6. Foreign Currency Translation Reserves

Under Ind AS 101 permits cumulative translation gains or losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation difference in accordance with Ind AS 21 from the date of subsidiary or equity method investee was formed or acquired.

The group has transferred an amount of ₹ 25 Lakhs all cumulative translation gains or losses to zero by transferring it to opening retained earnings at its transition date.

#### 7. Grant on Re-measurement of interest Free Loan

The unpaid statutory liability towards Central Sales Tax (CST) and Local Sales Tax (LST) for a period starting from financial year 1998-1999 to 2012-13 was allowed under deferment scheme of government as a interest free loan. As per para-10A of Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance", benefit of a government loan at a below market rate of interest is treated as a government grant and shall be recognised and measured as per Ind AS-109 Financial Instruments "Recognition and Measurement". As on transition date the loan was measured at its amortised cost at effective interest method retrospectively and the difference between outstanding loan and amortised cost has been considered as government grant and accordingly recognised in retained earnings as on the date of transition.

(a) The amount of loan outstanding as on the date of transition was ₹1048 Lakhs. The loan measured at amortised cost by using effective interest method was amounting to ₹1011 Lakhs as on the date of transition and difference for amounting to ₹37 has been treated as government grant. An amount of ₹ 22 Lakhs was charged opening retained earnings as the date of transition for unrecognised interest.

(b) During Comparative period an amount of ₹3 Lakhs was charged interest cost at amortised cost of the loan.

#### 8. Other comprehensive income

Under Ind AS, all items of income and expenses recognised in a period should be included in profit or loss for the period, unless a standard required or permits otherwise. Items of income and expenses that are not recognised in profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefits plans, foreign exchange difference arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVTOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

#### 9. Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**Note-58:** Figures for the previous year have been re-arranged and re-grouped wherever necessary.

#### As per our report of even date attached

##### For SRB & Associates

Chartered Accountants

F. Regd. No.310009E

##### Bisworanjan Sutar

(Partner)

Membership No.066708

Date : May 28, 2018

Place: Kolkata

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

##### B K Agrawal

(Chairman cum Managing Director)

DIN:00520558

##### S K Sultania

(Chief Financial Officer)

##### Navneet Manaksia

(Wholtime Director)

DIN:00438612

##### Surbhi Shah

(Company Secretary)

Membership No. A38309

## Notes

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Formerly Manaksia Industries Limited