



Kkalpana Industries (India) Limited

Date: 09.10.2018.

To,
The Manager,
Listing Department,
Bombay Stock Exchange Limited (Designated Stock Exchange),
P.J. Towers, Dalal Street,
Mumbai – 400 001

Sub: Submission of Annual Report-2017-18 pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; please find enclosed herewith the Annual Report 2017-18.

Kindly take the same on record and oblige.

Thanking You,

Yours faithfully,

For Kkalpana Industries (India) Limited

Tanvi Panday
Tanvi Panday (ACS 31176)
Company Secretary



CC:

1. The Calcutta Stock Exchange Limited, 7 Lyons Range, Kolkata – 700 001.

Regd. Office : 2B, Pretoria Street, Kolkata - 700 071

Tel. : +91-33-2282 3744/45/3671/99, Fax : +91-33-2282 3739, E-mail : kolkata@kkalpana.co.in

Mumbai Office : 106, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053, India
Tel.: +91-22-67021470/71/72, Fax : +91-22-6702 1473 E-mail : mumbai@kkalpana.co.in

www.kkalpanagroup.com

CIN : L19202WB1985PLC039431



KKALPANA INDUSTRIES (INDIA) LIMITED

Leading Manufacturer of Compounds

ANNUAL REPORT 2017-18



PRODUCT RANGE

PE Compounds

Silane Grafted XLPE Compound upto 1. 1KV.
(LT / LT ABC / FR / AMBIENT CURE)

Silane Grafted XLPE Compound for MV upto 36KV.

XLPE Compound for CCV Line upto 66KV.

PE Sheathing and Insulation

Semi-Conductive Compounds

HFFR Compounds



PVC Compounds

• Insulation • Sheathing • Speciality Grades : FRLS •
Anti Termite • Anti Rodent • Oil Resistant Grades • Auto
Harness Cable • Grades Data and Communication
Cable Grades ROHS & REACH Compliant Grades



Filled Compounds

• Calcium Carbonate • Talc filled in PE, PP and HDPE

Master Batches

• Colour Master Batches - 1000 shades to choose
from Speciality Master Batches - UV • Antioxidant
• Processing Aid • Optical Brightner etc.



Footwear Compounds

• PVC • TPR • NBR • EVA Cross linkable
Foam

Pipe Compounds

• PE • PEX

Engineering Plastics

Nylon - Glass & Mineral Filled • PP - Glass
& Mineral Filled • ABS Compound • PC
Compound

Upcycling

• LDPE & LLDPE granules and Agglomerates





Corporate Information

Board of Directors

(As on 30th May, 2018)

Chairman and Managing Director

Mr. Narrindra Suranna

Whole-Time-Directors

Mr. Rajesh Kothari
Dr. P.R.Mukherjee

Non- Executive Independent Directors

Mr. Ramakant Mishra
Mrs. Mamta Binani
Mr. Samir Kumar Dutta

Senior President

Mr. Jitendra Tiwari

Chief Financial officer

Mr. I. C. Dakalia

Company Secretary

Ms. Tanvi Panday

Plant Location

Bhasa, Diamond Harbour Road (W.B.)
Falta SEZ, (W.B.)
Daman (Daman & Diu, Union Territory)
Dadra I & II (Dadra & Nagar Haveli, Union Territory)
Surangi, (Dadra & Nagar Haveli, Union Territory)

Registered Office

2B, Pretoria Street,
Kolkata – 700 071
Tel: 91 – 33- 2282 3744 / 3745
Fax: 91 – 33 – 2282 3739
E mail : kolkata@kcalpana.co.in
www.kcalpanagroup.com

Auditors

Statutory Auditor
M/s B.Mukherjee & Co.
Chartered Accountants

Internal Auditor
M/s D K D & Associates
Chartered Accountants

Cost Auditor
M/s. D. Sabyasachi & Co
Practicing Cost Accountant

Secretarial Auditor
Mr. Ashok Kumar Daga
Practicing Company Secretary

Bankers

State Bank of India	RBL Bank
Dena Bank	Federal Bank
HDFC Bank	Corporation Bank
IndusInd Bank	IDFC Bank
Axis Bank	

Registrar & Share Transfer Agent

M/s. C B Management Services (P) Ltd.
(Unit Kkalpana Industries(India) Ltd),
P-22, Bondel Road, Kolkata – 700 019
Tel: 91 – 33 – 2280 6692 / 93/94/2486/4011 6700
Fax : 033 2287 0263
E mail : rta@cbmsi.com

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BOARD OF DIRECTORS

Narrindra Suranna

Mr. Narrindra Suranna, aged around 56 years, is a B.Com (Hons.), and L.L.B from Calcutta University. Currently, he is holding the position of Chairman & Managing Director of the Company. He has been associated with the Company since inception. He has got wide experience in Plastic Industry. Due to his effective leadership, the Company has been able to achieve stupendous growth.

Rajesh Kothari

Mr. Kothari, aged about 54 years, a Graduate (B.Com) from Rajasthan University, Ajmer, has more than 26 years of experience in the areas of marketing, after sale service and market research. He started his career in the year 1985 with Kanoria Chemicals & Industries Limited. He has been associated with Kkalpana since 1997.

Pranab Ranjan Mukherjee

Dr. Pranab Ranjan Mukherjee aged about 73 Years, is a Gold Medalist in M.sc and has done his Ph.D from I.I.T, Kharagpur. He has five years of Academic Research Experience in the fields of Synthetic and Mechanistic Organic Chemistry. He started his career in the year 1975 at INCAB Industries Limited as General Manager (Works). He also served as Director (Operations) at Polylink Polymers India Limited and Siechem Industries, Puduchery . He received various awards in his long career. He has been associated with Kkalpana since 2009 and currently holding the position of Whole Time Director (Technical). He has over 40 years of Experience in plastic and polymers Industries.

Ramakant Mishra

Mr. Mishra , aged about 62 years, F.C.S, F.C.M.A and MBA, has more than 37 years of experience in corporate ,Secretarial and Financial matters of various Companies. He Joined on the Board of Kkalpana in September, 2014 as an Independent Director.

Mamta Binani

Mrs. Binani, aged about 46 years, a Fellow Member of the Institute of Company Secretaries of India (ICSI), has 18 years of experience in corporate consultation & advisory, covering Due Diligence, Secretarial & Legal functions. She has been the first lady Chairperson (eastern region) of (ICSI) and has held the post of President of ICSI. She also serves Independent Directorship in various Companies. She Joined the Board of Kkalpana in September, 2014 as an Independent Director.

Samir Kumar Dutta

Mr. Dutta, aged about 74 years, is a Graduate in science from Calcutta University and a Fellow Member of the Institute of Cost Accountants of India (ICAI). He has over 30 years of experience in finance and additionally 10 years of experience in corporate consultation & advisory, covering Cost Audit and Tax matters. He Joined the Board of Kkalpana as an Independent Director in June, 2017.

Chairman's Statement



Dear Shareholders,

I whole heartedly welcome you to the 33rd Annual General Meeting of your company. The Annual Report and the Boards' Report for the year ended 31st March, 2018 are with you. I trust you must have glanced through them.

The Company's net revenue for the year ended 31st March, 2018 stood at Rs. 1738.18 Crores as against Rs.1960.89 Crores for the financial year 2016-17. Profit after tax, for the year under review, stands at Rs. 21.97 Crores, as against Rs.26.28 Crores in the previous financial year. The company's EPS is Rs. 2.33 as against Rs. 2.79 in the previous financial year.

The Indian economy was volatile in 2017-18. However, it appears that the effect of GST has started gaining positive effect and the economy will gain further momentum in coming years. The effect of demonetization has also completely dissipated.

The macro economic fundamentals are strong in terms of Inflation control, revenue deficit, fiscal deficit and current account deficit. These are well under control. The country has a strong foreign exchange reserve of \$418 billion.

Your company has prominent place in plastic industry in India. The products of your company comprise of various grades of compounds. The

customer base of your company is expanding slowly but steadily.

Your directors have recommended dividend of 12% for the year ended 31st March, 2018 on the paid up share capital. The outgo of the company on this account, excluding taxes, will be Rs. 225.78 lacs.

I will be failing in my duty if I do not mention about the hard work and sincere endeavor of the members of the staff at all levels. Their co-operation will always remain vital to the company.

I am grateful to the members of the Board of your company for their valuable advice and guidance which enabled me to steer the company out of volatility in the Financial Year 2017-18.

Thankyou.

With Best Regards,

A handwritten signature in blue ink, appearing to be 'N. Suranna'.

Narrindra Suranna

DIN:00060127

Chairman & Managing Director

Date: 30th May, 2018

Kolkata



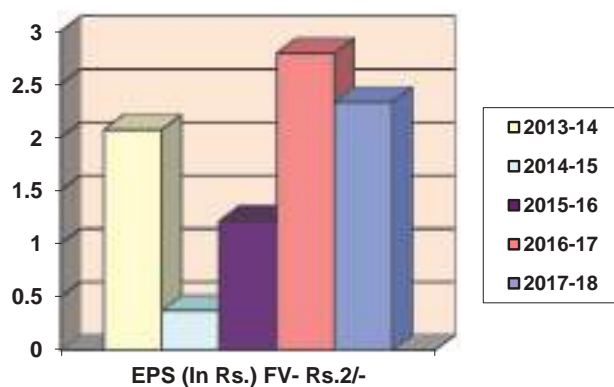
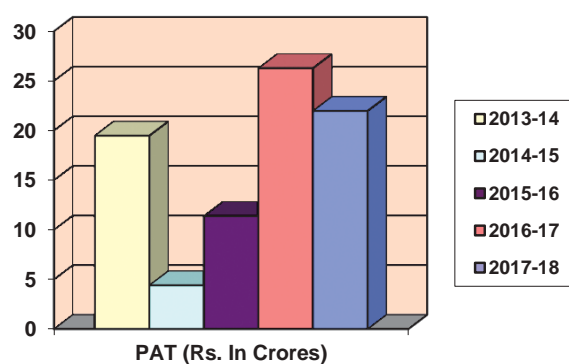
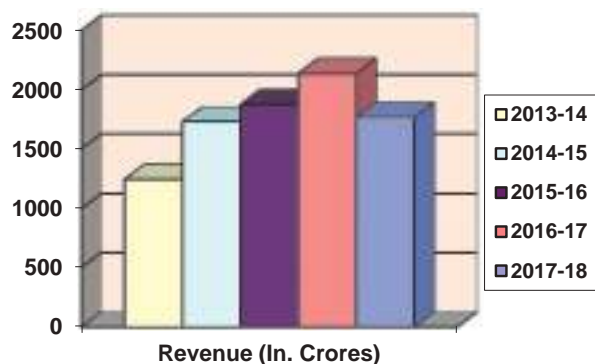
Vision

Vision without action is just a dream;
Action without vision merely passes the time;
Vision with action can change the world.

Five Years at a Glance

Year	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Net Revenue	1245.58	1729.26	1876.58	2137.08	1768.01
PAT	19.48	04.41	11.39	26.28	21.97
EPS (Rs.)	2.07	0.37	1.21	2.79	2.33
Net Worth	229.08	230.31	241.75	274.01	295.80
Dividend (%)	12	0	0	0	12

Rs. In Crores



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 33rd (Thirty-third) Annual General Meeting of the Members of KKALPANA INDUSTRIES (INDIA) LIMITED will be held at Gyan Manch, 11, Pretoria Street, Kolkata – 700 071 on Thursday, the 27th day of September, 2018, at 10.00 A.M. to transact the following Businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss Account and Cash Flow Statement for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend of Rs. 0.24p per Equity Share of Rs. 2/- each (i.e @ 12%)
3. To appoint a Director in place of Mr. Rajesh Kothari (DIN 02168932), who retires by rotation and being eligible, offers himself for reappointment.
4. **To approve the Remuneration payable to the Statutory Auditors of the Company for the Financial Year ending March 31, 2019**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby approves the remuneration of Rs. 3,10,000/- plus taxes, as applicable, and out of pocket expenses payable for the financial year 2018-19, upon recommendation of the Audit Committee of the Board and also the Board of Directors of the Company, at their respective meetings held on 30th May, 2018, to M/s. B. Mukherjee & Co., Chartered Accountants, Kolkata (FRN: 302096E), who have been appointed as Statutory Auditors of the Company for a period of 5 years i.e. from the conclusion of the 32nd Annual General Meeting of the Company held on 23rd September, 2017 till the 37th Annual General Meeting of the Company to be held in 2022, by the members of the company at the 32nd Annual General Meeting held on 23rd September 2017.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix such remuneration as payable to Statutory Auditors, on recommendation of Audit Committee of the Board of Director, for their remaining period of service as the Board and the Statutory Auditors may mutually decide and to do all such acts ,things, deeds and matters which are connected therewith or incidental thereto and take all necessary steps, as may be necessary, proper or expedient, to give effect to this resolution.”

SPECIAL BUSINESS:

5. **To approve the Remuneration payable to the Cost Auditors of the Company for the Financial Year ending March 31, 2019**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby approves the remuneration of Rs.25000/- plus taxes, as applicable, and out-of-pocket expenses payable to M/s. D.Sabyasachi & Co., Practicing Cost Accountant, who are appointed as Cost Auditors of the Company, as recommended by the Audit Committee of the Board and also the Board of Directors of the Company, at their respective meetings held on 30th May, 2018, to conduct Audit of the cost

accounting records pertaining to plastic compounds and other related manufacturing items of the Company for the year ending 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, things, deeds and matters which are connected therewith or incidental thereto and take all necessary steps, as may be necessary, proper or expedient, to give effect to this resolution.”

6. Reappointment of Dr. Pranab Ranjan Mukherjee as a Whole Time Director of the Company

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** in accordance with the recommendation of Nomination and Remuneration Committee of the Board of Directors and provisions of Section 196, 197 and 198 and other applicable provisions if any, of the Companies Act, 2013 (the Act), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or reenactment thereof, for the time being in force, and all other applicable guidelines relating to managerial remuneration, issued by the Ministry of Corporate Affairs, from time to time, and subject to such other approvals, as may be necessary, and as per the relevant provisions of Articles of Association of the Company, consent of the members be and is hereby accorded to the reappointment of Dr. Pranab Ranjan Mukherjee (DIN – 00240758) as Whole-Time-Director of the Company, for a period of 1 (One) year with effect from 01st October, 2018, upon the terms and conditions as are set out in the Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee thereof and any person authorized by the Board in this behalf) shall, in accordance with the statutory limits/ approvals, as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend/change the terms and conditions of the reappointment and remuneration, from time to time, as may be agreed to by the Board and Dr. Pranab Ranjan Mukherjee, subject to the approval of Nomination and Remuneration Committee of the Board of Directors of the Company, provided, however, that the remuneration payable to Dr. Mukherjee shall be within the limits set out in the Companies Act, 2013 and Schedule V to the said Act, or any amendments thereto or any modification(s) or statutory reenactment(s) thereof and /or any rules or regulations framed there under.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, things, deeds and matters which are connected therewith or incidental thereto and take all necessary steps, as may be necessary, proper or expedient, to give effect to this special resolution”.

7. Ratification of appointment of Mr. Samir Kumar Dutta as Non Executive Independent Director of the Company

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to Section 149(4) of the Companies Act, 2013, Schedule IV to the Act and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the consent of the Company is hereby given to Mr. Samir Kumar Dutta (DIN: 07824452) who was appointed as Non Executive Independent Director in the Annual General Meeting held on 23rd September, 2017 for a period of 5 years, to facilitate him to continue in this position till the year 2022 (i.e. till remaining period of service) even on his attaining the age of 75 years in December, 2018.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts ,things, deeds and matters which are connected therewith or incidental thereto and take all necessary steps, as may be necessary, proper or expedient, to give effect to this special resolution.”

Registered Office:
2B, Pretoria Street,
Kolkata-700071

By Order of the Board of Directors
For Kkalpana Industries (India) Limited

Date: 30th Day of May, 2018
Place: Kolkata

Tanvi Panday (ACS- 31176)
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. MEMBERS ARE REQUESTED TO NOTE THAT PURSUANT TO SECTION 105 OF THE COMPANIES ACT, 2013, A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE, A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. IF A PROXY IS APPOINTED FOR MORE THAN 50 MEMBERS, THE PROXY SHALL CHOOSE ANY FIFTY MEMBERS AND CONFIRM THE SAME TO COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. IN CASE, THE PROXY FAILS TO DO SO, THE FIRST 50 PROXIES RECEIVED BY THE COMPANY SHALL BE CONSIDERED AS VALID.

THE INSTRUMENT APPOINTING PROXY, DULY COMPLETED, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE ANNUAL GENERAL MEETING (i.e. ON OR BEFORE 25TH SEPTEMBER, 2018, 10:00A.M. IST). A PROXY FORM FOR THE AGM IS ENCLOSED.
2. Corporate Members intending to send their authorized representatives to attend the meeting are required to send a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, or upload it on the e-voting portal (for e-voting), authorizing their representative to attend and/or vote on their behalf at the AGM.
3. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. The members/proxies/authorized representatives are requested to bring duly filled attendance slip (as enclosed herewith) along with their copy of Annual Report at the AGM and hand it over at the counter at the venue.
4. The Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed.

5. Register of Directors and Key Managerial Personnel of the Company and their respective shareholding maintained under Section 170 of the Companies Act, 2013 ('the Act') will be available for inspection by the members at the AGM.
6. The Register of Contracts and Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its members, facility to exercise their right to vote on all resolutions set forth in the Notice convening the 33rd Annual General Meeting (AGM) electronically through electronic voting (e-voting) services facilitated by the National Securities Depository Limited (NSDL) and all items of the business may be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM) services provided by National Securities Depositories Limited ("NSDL"). Instructions and other information relating to remote e-voting are given in the notice under note no.21.

The Company shall also arrange for the physical voting by use of ballot or polling paper at the AGM for the members who have not cast their vote through remote e-voting. Members, who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes once again. The Board of Directors of the Company has appointed Mr. Ashok Kumar Daga, Practicing Company Secretary (Membership No. FCS-2699, C.O.P No 2948) as the Scrutinizer for this purpose.

8. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on Thursday, 20th September, 2018 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or ballot voting at the AGM.
9. In case of joint holders attending the meeting, only such joint holder who is higher in order of names, will be entitled to vote at the meeting.
10. In accordance with the provisions of section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 21st September, 2018 to Thursday, 27th September, 2018 (both days inclusive).
11. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Notice and Annual Report and other communication through electronic mode to those members who have registered their e-mail addresses either with the Company or with Depository Participant(s). Members who have not registered their e-mail addresses may now register the same. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members holding physical shares may register their e-mail address with the Registrar and Share Transfer Agents of the Company. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.
12. Notice of the 33rd AGM, details and instructions for remote e-voting and the Annual Report of the Company for the year ended 31st March, 2018 along with attendance slip and proxy form are uploaded on the Company's website www.kkalpanagroup.com and may be accessed by the members. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days.

Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For the members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

13. Members, holding shares in physical mode are requested to notify the change in their address / mandate/ bank account to M/s. CB Management Services (P) Limited, P-22, Bondel Road, Kolkata- 700 019, the Registrar & Share Transfer Agent of the Company. Members holding shares in demat form, are requested to intimate any change in their address and/or bank mandate to their Depository Participant(s). The Company cannot act on any request received directly from members holding shares in demat form for any change in their particulars.
14. Members are requested to address all correspondences, including those on dividends, to the Registrar and Share Transfer Agents, as mentioned above.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s. CB Management Services Pvt. Limited.
16. Dividend for the financial year ended 31st March, 2011, which remains unpaid or unclaimed, will be due for transfer to Investors' Education and Protection Fund of the Central Government ('IEPF') on 18th December, 2018, pursuant to the provisions of Section 125 of the Companies Act, 2013 corresponding to Section 205C of the erstwhile Companies Act, 1956 . In respect of the said dividend, it will not be possible to entertain claims received by the Company after 17th December, 2018.

Members, who are yet to encash their dividend warrants for the financial year 2010-11 or any subsequent financial year(s), are requested to correspond/ lodge their claims with the Company's Registrar & Share Transfer Agents without delay. The details of dividend unclaimed by the members for the past years which have not yet been transferred to the Central Government are readily available for view by the members on the website of the Company (www.kkalpanagroup.com), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in). Further, the members are advised to glance through the database and lodge their claim for dividend, which has remained unclaimed, with the Company's Registrar and Share Transfer Agents.

The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies, Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments from time to time). As per these, members are requested to note that dividends that are not encashed/claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Act, be transferred to Investor Education and Protection Fund (IEPF). Shares on which dividend remains unpaid/ unclaimed for seven consecutive years will be transferred to demat account of IEPF Authority as per section 124 of the Act, and applicable rules, notifications, if any (as amended from time to time). Hence the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period. The shareholders whose dividend/ shares are transferred to the IEPF Authority can claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

17. In accordance with the aforesaid IEPF Rules, the Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper

advertisement. The Company is required to transfer all shares, as above, to demat account of the IEPF Authority, in accordance with IEPF Rules as and when notified.

18. As per the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Share Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
19. As per the amendment made to Regulation 40 of SEBI Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 it will be mandatory, w.e.f. 5th December, 2018, that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depositor. Further, As per SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, the Shareholders, who are still holding shares in physical form are requested to take immediate action to demat their shares to avail easy liquidity and to update their Bank details with the Company to enable direct credit of dividends, if any declared, as per SEBI Regulations.
20. The Dividend, as recommended by the Board of Directors, if declared at the Annual General Meeting will be credited/dispached between 02nd October, 2018 to 26th October, 2018 to those members or to those mandates :-
 - a. a. Whose name appear as Beneficial Owners as at the end of 20th September, 2018 in the statements of beneficial owner furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), in respect of shares held in electronic form and
 - b. Whose names appear as Members in Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company/ RTA on or before the 20th September, 2018.
21. **Process and manner for members opting for remote e-voting are as under:**
 - I. The remote e-voting period commences on 24th September, 2018 (9:00 a.m) and ends on 26th September, 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The rights of members shall be proportionate to their share of the paid-up equity share capital of the company as on the cut-off date. E-voting rights cannot be exercised by a proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization.
 - II. *The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address. Also in case member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy], Initial password is provided as below at the bottom of Attendance Slip for the AGM, in the following format:
EVEN (Remote E-voting Event Number) USER ID PASSWORD/PIN
 - (iii) Any person who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA at rt@cbmsl.com
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to daga.ashok@gmail.com with a copy marked to evoting@nsdl.co.in. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVEN NO."
- 2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- 3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- 4 You can also update your mobile no. and e-mail id in the user profile details of the folio which may be used for sending future communication(s)
- 5 A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM
- 6 A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- 7 Mr. Ashok Kumar Daga, Practicing Company Secretary (Membership No. FCS-2699, C.O.P No. 2948) has been appointed as the Scrutinizer for providing facility to the members of the Company and to scrutinize the ballot voting and remote e-voting process in a fair and transparent manner
- 8 The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 9 The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 10 The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.kkalpanagroup.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to concerned stock exchanges where the company's shares are listed.

22. The Resolutions shall be deemed to be passed on the date of Annual General Meeting, subject to receipt of sufficient votes.
23. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 01.00 p.m. up to the date of Meeting.
24. A route map along with prominent landmark for easy location to reach the venue of AGM is annexed to the Notice.
25. We urge members to support our commitment to environment protection by choosing to receive their shareholding communication through email. You can do this by updating your email address with your depository participants (in case of demat holdings) or with the RTA (in case of physical holdings)
26. Members desiring any information/clarification relating to the accounts and operations of the company or intending to raise any query are requested to write to the Company atleast 10 days in advance of the meeting, to the Company Secretary at the registered office address, so as to enable the management to keep the information ready.
27. Additional Information, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, in respect of Directors seeking appointment / re appointment at the AGM, is as under. Requisite declarations have been received from Directors seeking appointment/ re-appointment.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(In Pursuance of Regulation 36(3) of SEBI Listing Regulations)

Name of Director	Mr. Rajesh Kothari (DIN: 02168932)	Dr. P.R.Mukherjee (DIN 00240758)	Mr. Samir Kumar Dutta (DIN: 07824452)
Date of Birth	05.06.1964	10.10.1945	04.12.1943
Date of Appointment on the Board	11.08.2011	01.10.2014	21.06.2017
Qualification	Graduate (B.Com)	B.Sc(Hons.), M.Sc (Spl Organic), Ph.D in Stereo Chemical Studies in Organic Reactions.	B.Sc from Calcutta University. He is a Fellow member at Institute of Cost Accountants of India
Expertise	Mr. Kothari has more than 26 years of experience in the areas of marketing, after sales service and market research. He started his career in the year 1985 at Kanoria Chemicals & Industries Limited. He joined Kkalpana in 1997.	Dr.Mukherjee has over 40 years of experience in corporate arena particularly, in Plastic and Polymer Industries.	He has over 40 years of experience in corporate and financial matters.
Directorships held in other public companies including private companies which are subsidiaries of public companies #	None	None	None
Memberships / Chairmanships of Committees across other companies in which he/she is a Director	None	None	None
Memberships / Chairmanships of Committees in the company	Member of CSR Committee, Audit Committee and Stakeholders Relationship Committee	Chairman of CSR Committee and member of Stakeholders Relationship Committee	Chairman of Nomination and Remuneration Committee, Member of Audit Committee, and Corporate Social Responsibility Committee.
Shareholding in the Company	NIL	NIL	NIL
Relationship with other Directors	NIL	NIL	NIL

Excludes Directorships in Private Limited Companies, Foreign Companies and Government Companies

Registered Office:
2B, Pretoria Street,
Kolkata-700071

By Order of the Board of Directors
For Kkalpana Industries (India) Limited

Date: 30th Day of May, 2018
Place: Kolkata

Tanvi Panday (ACS- 31176)
Company Secretary

Statement pursuant to Section 102 of The Companies Act, 2013

The following Statement sets out all the material facts relating to the Special Business in the accompanying Notice:

Item No.4

M/s B. Mukherjee & Co., Chartered Accountants, Kolkata (FRN: 302096E), had been appointed as Statutory Auditors of the Company for a period of 5 years i.e. from the conclusion of 32nd Annual General Meeting of the Company held on 23rd September, 2017 till the conclusion of 37th Annual General Meeting of the Company to be held in 2022, by the members of the Company at the 32nd Annual General Meeting held on 23rd September, 2017.

Further as per Companies (Amendment) Act, 2017 effective 7th May, 2018, the provisions of Section 139 of the Companies Act, 2013 relating to ratification of appointment of Statutory Auditor at every Annual General Meeting have been omitted. As such, the appointment of Statutory Auditors need not be placed before the members of the Company for ratification. However, pursuant to provisions of Section 142 the remuneration of Statutory Auditors needs to be fixed in the Annual General Meeting or in a manner as may be specified therein.

Further, the Board, on recommendation of the Audit Committee, at its meeting held on 30th May, 2018, had considered and approved the remuneration of Rs. 3,10,000/- plus taxes as applicable and out of pocket expenses, as payable to the Statutory Auditors for the financial year ending March 31, 2019.

Accordingly, consent of the members is sought, pursuant to provisions of Section 142 of the Companies Act, 2013, for passing an Ordinary Resolution as set out at Ordinary Business under Item No. 4 of the Notice, for remuneration payable to the Statutory Auditors for the financial year ending March 31, 2019 and also authorizing the Board to fix the remuneration payable to Statutory Auditors, for their remaining period of service, as may be mutually decided by the Board and M/s B. Mukherjee & Co., Statutory Auditors.

The Board recommends the resolution for approval of the members.

None of the Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financial or otherwise in the aforesaid resolution except to the extent of their shareholdings in the Company. The Proposed Business does not relate to or affects any other company (financially or otherwise).

Item No.5

The Board, on the recommendation of the Audit Committee at its meeting held on 30th May, 2018, has approved the appointment and remuneration of M/s D.Sabyasachi & Co, Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2018-19.

In accordance with the provisions of Section 148 of the Act read with the relevant provisions of Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 25,000/- plus taxes as applicable and out of pocket expenses as payable to the Cost Auditors, was recommended by the Board and Audit Committee, at their respective meetings held on 30th May, 2018. The shareholders of the Company are requested to confirm and approve the said remunerations, if so thought fit.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Special Business under Item No. 5 of the Notice, for approval of remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

The Board recommends the resolution for approval of the members.

None of the Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financial or otherwise in the aforesaid resolution except to the extent of their shareholdings in the Company. The Proposed Special Business does not relate to or affects any other company (financially or otherwise).

Item No.6

On recommendation of Nomination and Remuneration Committee at its meeting held on 30th May, 2018, the Board of Directors of the Company, at its meeting held on 30th May, 2018, approved re-appointment of Dr. Pranab Ranjan Mukherjee (DIN – 00240758), aged 72 years, as Whole- Time- Director of the

Company for a period of 1 (One) year with effect from 01st October, 2018, on the following main terms and conditions:

1. The appointment shall be for a period of One year commencing from 01st October, 2018 as Whole-Time Director.
2. Dr. Pranab Ranjan Mukherjee will be liable to retire by rotation while he continues as a Whole Time Director of the Company.
3. As Whole time Director, Dr. Mukherjee shall perform such duties and exercise such powers as may be entrusted to him, from time to time, by the Managing Director and /or the Board of Directors.
4. In consideration of the performance of his duties to the Company, Dr. Mukherjee shall be entitled to the following remuneration:
 - A. Remuneration:
Salary of Rs. 1,42,857/- (Rupees One Lac Forty Two Thousand Eight Hundred Fifty Seven only) per month.
 - B. Perquisites:
 - I. One month's salary as Ex-gratia per year.
 - II. One month's paid leave per year, which may be encashable in part or in full, as per the Company Rules.
 - C. Gratuity:
As per Company Rules.
5. Minimum Remuneration:
Notwithstanding anything herein contained, where in any financial year during the continuance of the tenure of office of the Whole-Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites, as specified above, as minimum remuneration, subject to the ceiling specified in Schedule V of the Companies Act, 2013 or any amendments thereto.
6. Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 2013, or any statutory modification or reenactment thereof, the Board shall be entitled to alter or vary any of the foregoing terms of remuneration, benefits or perquisites to which Dr. Mukherjee may be entitled as aforesaid.

Mr. Mukherjee (aged 72 years) has been associated with the Company since 2009 and has over 40 years' experience in Plastic and Polymer Industry. A brief profile of Mr. Mukherjee, including nature of expertise, is provided in the annexure to the Notice. He was appointed as Whole Time Director (Technical) for a period of 3(three) years from 01.10.2014 to 30.09.2017 and thereafter for a period of 1 year from 01.10.2017 to 30.09.2018. Pursuant to provisions of Section 196(3), the company cannot appoint/continue the appointment of a Whole Time Director who has attained the age of 70 years unless such appointment is made by passing special resolution. The Board of Directors of your company is of the opinion that his employment with your company will be technically and financially a sound proposition.

The special resolution, being Item No. 5 of the notice convening the Annual General Meeting is intended for the purpose.

The Board of Directors recommend the special resolution for approval of members and accordingly the approval of the members is sought pursuant to the provisions of Section 196, 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto, for the above reappointment of Dr. Mukherjee as Whole – Time- Director of the Company and payment of remuneration to him.

Mr. Mukherjee is not related to any other Director of the Company. A brief resume of Mr. Mukherjee as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out as Annexure to this Notice.

Save and except Dr. Mukherjee (DIN 00240758), none of the Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financial or otherwise in the aforesaid resolution except to the extent of their shareholdings in the Company. The Proposed Special Business does not relate to or affects any other company (financially or otherwise).

Item No.7

Mr. Samir Kumar Dutta was appointed as Non Executive Independent Director of the Company in the 32nd Annual General Meeting of the members of the Company held on 23rd September, 2017 for a period of 5 years w.e.f. 21st June, 2017. At the time of appointment he was of the age of 73 years.

Now, there has been amendment to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective 01st April, 2019 which states that “No listed entity shall appoint a person or continue the directorship of any person as a Non Executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.”

Since Mr. Dutta will be attaining the age of 75 years in December, 2018 and the provisions of amended regulations of 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will become applicable to his directorship w.e.f. 01st April, 2019, it is proposed to seek approval of members vide Special Resolution for continuing his directorship in the company.

The Board is of the view that his association with the Company will be a sound proposition. The suggestions and observations shared by him on the basis of experience he holds in financial and tax matters alongwith active participation which he constantly extends to the Board will help the company in making sound decisions. In view of the above, the Board of the Company recommends to the members of the Company for passing Special Resolution as contained in Item No. 7 of the Notice convening this Annual General Meeting.

The special resolution, being Item No. 7 of the notice convening the Annual General Meeting is intended for the purpose.

Mr. Dutta is not related to any other Director of the Company. A brief resume of Mr. Dutta as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out as Annexure to this Notice.

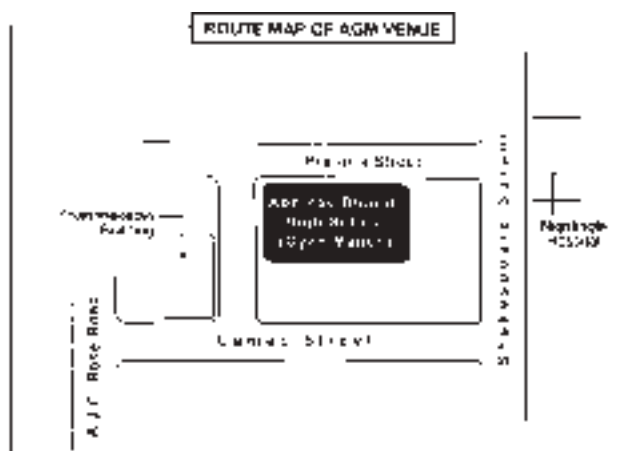
Save and except Dr. Samir Kumar Dutta (DIN 07824452), none of the Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financial or otherwise in the aforesaid resolution except to the extent of their shareholdings in the Company. The Proposed Special Business does not relate to or affects any other company (financially or otherwise).

Registered Office
2B Pretoria Street
Kolkata-700 071

By Order of the Board of Directors
For Kkalpana Industries (India) Limited

30th May, 2018
Place: Kolkata

Tanvi Panday (ACS 31176)
Company Secretary



DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors, it is our pleasure to present the 33rd Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended March 31, 2018.

Summarized Financial Results

(Rs. In Lacs)

	Standalone		Consolidated	
	2017-18	2016-2017	2017-18	2016-17
Net Turnover and other Income	177593.69	214789.61	176740.2	214789.99
Profit before Depreciation, Interest & Tax	10943.41	10444.27	10780.36	10422.47
Less : Depreciation	1725.66	1313.95	1732.91	1314.79
Interest	5767.92	5398.4	5767.94	5398.50
Profit before Tax	3449.83	3731.92	3279.51	3709.18
Less: Exceptional Item				
Less : Provision for Tax	1252.59	1104.09	1252.59	1104.02
Profit After Tax	2197.24	2627.83	2026.91	2605.16
Add: Profit brought forward from previous year.	15947.02	13319.20	15978.32	13372.81
Less: Impact of depreciation as per schedule II of Companies Act, 2013	0	0	0	0
Amount Available for Appropriation	18144.27	15947.03	18022.70	15978.32
Appropriation				
Proposed final dividend on Equity Shares	0	0	0	0
Corporate Dividend Tax	0	0	0	0
Transfer to General Reserve	0	0	0	0
Surplus carried to Balance Sheet	18144.27	15947.03	18022.70	15978.32

Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated 16th February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. IndAS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014. For your Company, Ind AS became applicable from 1st April, 2017 and the financials for Financial Year 2017-18 have been prepared accordingly.

Goods and Service Tax

Changes across IT systems, supply chain and operations have been made keeping in mind the sweeping changes that GST brought in. The Government had announced to go live on GST w.e.f. 01st July, 2017 and your company has adequately adapted to this transformative reform.

Industrial Scenario

The countries GDP growth for the year ended 31st March, 2018 has been 6.60% with 7.3% growth projected for the Financial Year 2018-19. India will be reversing 2 year declining GDP growth

The benefit of reforms such as recently implemented GST and Government's endeavor to ease bureaucratic control will propel India's future growth. Your company is confident of getting new customers because of high quality of your company's output against the competitors.

Further, robust foreign exchange inflow attracted by liberalized regulation and the Government's efforts to improve the ease of doing business will further bolster the Indian economy.

Operations and State of Company's Affairs

During the year under review, your Company achieved total revenue of Rs. 1775.94 Crores as against total revenue of Rs. 2147.90 Crores in the previous financial year. The Profit after Tax is Rs. 21.97 Crores as against Rs. 26.28 Crores in the previous year.

Future Prospects

Your company is making continuous endeavor to enter into new areas of global markets. The high standard of research and development will ensure cost reduction and cost control which primarily affects the bottom line of any company.

Dividend

Your directors have pleasure in recommending payment of dividend @ 12% (Rs. 0.24p per equity share of face value Rs. 2/- each) to the equity shareholders of the Company for the Financial Year ended 31st March, 2018. The total outgo (excluding taxes as applicable) will be Rs. 225.78 lacs.

Transfer of Amount to Investor Education and Protection Fund

Dividend for the financial year ended 31st March, 2011, which remains unpaid or unclaimed for a period of seven years, will be due for transfer to Investor Education and Protection Fund (IEPF) on 18th December, 2018. Members who have not yet encashed their dividend warrants for the financial year ended 31st March, 2011 or any subsequent financial years, are requested to lodge their claims without any delay.

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e.23.09.2017), with the Ministry of Corporate Affairs.

Share Capital

There is no change in the Share Capital of the Company. As on 31st March, 2018, the paid up equity share capital of the company stood at Rs. 1881.46 lacs divided into 94072930 equity shares of face value Rs. 2/- each.

Fixed Deposits

Your Company has not accepted any deposits from public and /or shareholders during the year under review, within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and accordingly as of 31st March, 2018, there were no unpaid fixed deposits with the Company.

Transfer to General Reserve

The Company proposes not to transfer any funds out of its total profit of Rs. 21.79 Crore for the financial year to the General Reserve.

Research and Development

Your Company recognizes that Research & Development plays a critical role in supporting current operations as well as future growth. Your Company has focused its attention on development of Products that have wide industrial applications, particularly in cable, piping, packaging and footwear industries.

Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Rajesh Kothari (DIN -02168932), Whole Time Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

Further, the Board, on recommendation of Nomination & Remuneration Committee, at its meeting held on 30th May, 2018, approved the reappointment of Dr. Pranab Ranjan Mukherjee as Whole Time Director for a period of one year w.e.f 01st October, 2018, subject to the approval of the members. Accordingly, approval of the members is sought for reappointments of Dr. Pranab Ranjan Mukherjee at the forthcoming AGM.

Further, Mr. Samir Kumar Dutta (DIN: 07824452) was also appointed as the Non Executive Independent Director of the Company, w.e.f. 21st June, 2017, by the members of the Company, at the Annual General Meeting of the Company held on 23rd September, 2017. He will attain the age of 75 years in December, 2018. As per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, members of the company are required to pass special resolution to enable the concerned Non Executive Director to continue in office. The Board of Directors of your company have sought approval from members as maybe observed from Item No. 7 of the Notice convening this Annual General Meeting.

Further, the Board, on recommendation of Nomination & Remuneration Committee, at its meeting held on 30th May, 2018, designated Mr. Narrindra Suranna (DIN: 00060127), Chairman and Managing Director of the Company as also the CEO of the Company.

Ms. Tanvi Panday (ACS-31176) was also appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 01st June, 2017 pursuant to resignation of Mr. A.B. Chakrabarty (FCS-7184) from the said post.

None of the Independent Directors are due for reappointment.

Committees of the Board

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their composition, number of meetings and attendance at the meeting are provided in the Corporate Governance Report.

Declaration by Independent Directors

The Company has received necessary declarations from each independent Director of the Company, pursuant to provisions of Section 149(7), confirming that they meet the criteria of Independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Familiarization Programme for Independent Directors

The Company had organized a familiarization programme for the Independent Directors as per the requirement of the Companies Act, 2013 and Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All independent directors inducted into the Board attended the orientation programme. The Company has familiarized the Independent Director with the company, their roles, rights, responsibilities in the company, nature of the Industry in which the company operates and business model of the company through various programmes. Further, at the time of the appointment of an Independent Director, the company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The format of the letter of appointment is available under the head draft letter of appointment on our website (www.kkalpanagroup.com/investor-relations.php)

Policy on Director's appointment and remuneration

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of 31st March, 2018, the Board had 6 members, 3 of whom were executive and 3 were independent directors.

The Company's Policy for selection and appointment of Directors and their remuneration is based on its Nomination and Remuneration policy which, inter alia, deals with the manner of selection of the Directors and such other matters as provided under section 178(3) of the Act and 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy of the Company on directors' appointment and remuneration, including the criteria for

determining qualifications, positive attributes, independence of a director and other matters, as required under section 178(3) of Companies Act, 2013 is available on our website under the head Policy at www.kkalpanagroup.com/investor-relations.php.

There has been no change in the policy since last fiscal. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

Board meetings

The Board met Six times during the financial year under review, the details of which are given in the Corporate Governance Report which is annexed and forms a part of this report. The intervening gap between two consecutive Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 and loss of the company for that period;
- (c) the directors had 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;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively ; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors & Audit

The Statutory Auditors of the Company, M/s. B.Mukherjee & Co, Chartered Accountants, Kolkata (Firm Registration No.302096E), were appointed as Statutory Auditors of the Company, at the Annual General Meeting of the Company held on 23rd September, 2017, for a period of 5 consecutive years, subject to ratification by members of the Company at every subsequent Annual General Meeting. However, as per the recent amendment of Section 139 of the Companies Act, 2013, which have been made effective from 07th May, 2018, ratification of the appointment of the auditor is no longer required. Hence the same is not proposed at the ensuing Annual General Meeting.

Further, the Auditors have confirmed that they have undergone the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of ICAI. The Auditors' Report on the accounts for the year ended 31st March, 2018 does not contain any qualification, adverse remark or observation.

Internal Auditors

The Board of Directors of your Company has re-appointed M/s. DKD & Associates, Chartered Accountants, Kolkata (Firm Registration No.322657E) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2018-2019.

Cost Auditors

Pursuant to section 148 of the Companies Act, 2013 and subject to notification of rules thereunder, the board of directors, on the recommendation of the audit committee, has appointed M/s. D. Sabyasachi & Co. (Membership NO. 00369), Cost Accountants, Kolkata, as the Cost Auditors of the Company for the financial year 2018-19. M/s. D. Sabyasachi & Co. have confirmed that their appointment is within the

prescribed limits and they are free from any disqualifications as provided in section 141 of the Companies Act, 2013.

Secretarial Audit

The Board had appointed Mr. Ashok Kumar Daga (Membership No.-FCS- 2699, C.O.P No. 2948), Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2017-18. The report of the Secretarial Auditors for the Financial Year 2017-18 in Form MR-3 is annexed herewith as **Annexure 1** to this report. The report is self-explanatory and does not call for any further comments.

Policies

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All applicable policies are available under the head Policy on the Company's website: www.kkalpanagroup.com/investor-relations.php. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

Corporate Social Responsibility (CSR)

The Company has a Corporate Social Responsibility Committee, constitution of which is detailed in the Corporate Governance Report forming part of this Report. In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a CSR policy which is available under the head policy at: <http://www.kkalpanagroup.com/investor-relations.php>. The Annual Report on CSR expenditures for the FY 2017-18 is annexed herewith and forms part of this report and marked as **Annexure - 2**.

Related party transactions

Your Company has formulated Policy on Related Party Transaction (RPT) which is available on Company's website www.kkalpanagroup.com. There were no transactions that required disclosure under section 134(3)(h) of the Act, in Form AOC-2, and hence your company has not provided any details of such related party transactions. Further, there are no material related party transactions during the year under review with the Promoters, Directors or any Key managerial Personnel which may have a potential conflict of interest with the Company at large.

Subsidiaries/ Joint Ventures / Associate Companies

M/s. Plastic Processors & Exporter Private Limited had become a Subsidiary of the Company during the financial year 2016-17 and M/s Kkalpana Plastick Limited is the Associate company of your company. The financial position of these two companies is given in Form AOC- 1 and forms part of the report as '**Annexure – 3**'.

Your company holds 90% of equity in the paid up capital of M/s Plastic Processors and Exporter Private Limited and holds 36.23% of equity in the paid up capital of M/s Kkalpana Plastick Limited.

Performance of Subsidiaries, Associates and Joint Venture Companies and their contribution to the overall performance of the Company during the period

Name of the Entity Particulars	Share in Profit and Loss		
	PAT (Rs. In lacs)	As a % age of Profit or Loss	Amount (Rs. In Lacs)
Kkalpana Plastick Limited- Associate Company	11.95	36.23%	4.33
Plastic Processors and Exporter Pvt Ltd - Subsidiary Company	(423.98)	90.00%	(381.58)

Change in nature of Business, if any

There has been no change in the nature of business of the Company. Your Company continues to be one of the leading manufacturers of Polymer compound in the Country.

Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company

between the end of the financial year to which the financial statements relate and the date of the report.

Particulars of Loans, Guarantees and Investments

The Company has not given loans, guarantees or made investments exceeding sixty per cent of the aggregate of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the financial statement (please refer to Note 8 and 9 to the financial statement).

Risk Management Policy

In terms of requirement of the Companies Act, 2013, the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically.

Significant and material orders passed by the regulators

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the company's operations:

Disclosure as per Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has in place Internal Complaints Committee (ICC) which has been setup to redress complaints regarding Sexual Harassment. The following is the summary of Sexual Harassment complaints received and disposed off during the year under review:

No. of Complaints at the beginning of the Financial Year (i.e. 01.04.2017) -	Nil
No. of Complaints received during the Financial Year (i.e. 2017-18) -	Nil
No. of Complaints disposed off during the Financial Year (i.e. 2017-18) -	Nil
No. of pending at the end of the Financial Year (i.e. 31.03.2018) -	Nil

All employees (permanent, contractual, temporary & trainees) are covered under the captioned Act. Your directors are proud to state that working atmosphere of your company is very healthy for male and female employees/ workers.

Board Evaluation

The Company has devised a policy for performance evaluation of Independent Directors and the Board, which includes criteria for performance evaluation of the non-executive and executive Directors.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the formal annual evaluation was carried out for the Board's own performance, its committees & Individual Directors.

A structured performance evaluation form was prepared after taking into consideration inputs received from the Directors and on the basis of the evaluation criteria laid down by Nomination and Remuneration Committee, covering various aspects of the Board's functioning including adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out for the evaluation of individual Directors (both Executive and Non – executive/ Independent Directors), Board Committees and the Chairman. The Directors evaluation was broadly based on parameters such as, meeting the expectation of stakeholders, guidance and review of corporate strategy, risks, participation and attendance at Board / Committee meetings, interpersonal skills. The performance evaluation of the Chairman of the Company was undertaken by the Independent Directors taking into account the views of Executive Directors and Non –Executive Directors. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board. The directors expressed overall satisfaction on the evaluation

process. Based on the feedback of the Board Evaluation Process, appropriate measures were taken to further improve the process and other aspects.

Particulars of Employees

None of the employees, employed during the year, was in receipt of remuneration, in aggregate of Rupees 1,02,00,000 or more per annum for the financial year 2017-18, or Rs. 8,50,000 or more per month for any part of the Financial Year, as set out in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Therefore, no such details have been provided as required under section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014.

The ratio of remuneration of each Director to the median employee's remuneration and other details in accordance with sub-section 12 of Section 197 of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this report and is marked as '**Annexure 4**'

Extract of Annual Return

Pursuant to the provisions of section 92(3) and 134(3)(a) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is annexed and is marked as '**Annexure 5**'.

Vigil mechanism

Pursuant to the requirement of the Section 177(9) of the Companies Act, 2013, the Company has established vigil mechanism which also incorporates a whistle blower policy in terms of the SEBI Listing Regulations. Protected disclosures can be made by a whistle blower through an e mail or phone or letter to the chairman of Audit Committee.

Internal financial controls

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of your Company.

Green Initiatives in Corporate Governance

Ministry of Corporate Affairs has permitted companies to send electronic copies of Annual Report, notices, etc. to the registered E-mail addresses of shareholders. Your Company has accordingly arranged to send the electronic copies of these documents to shareholders whose email addresses are registered with the Company/ Depository Participant(s), wherever applicable. In case any shareholder would like to receive physical copies of these documents, the same shall be forwarded upon receipt of written request from the shareholder. For members who have not registered their e-mail addresses, physical copies are sent in permitted mode.

Human Resources and Industrial Relations

The Industrial relations of the Company with its personnel has continued to be cordial and amicable. Your Directors acknowledge and appreciate the efforts and dedication of employees to the Company. Your directors wish to place on record the co-operation received from the Staff and Workers, at all levels and at all units.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

Your Company has directed its efforts to reduce energy costs by focusing on energy savings through the best optimization of operations on day to day basis. The Company has used fuels in appropriate mix to attain maximum savings.

As required under Companies (Accounts) Rules, 2014, the particulars of energy conservation, Technology Absorption and Foreign Exchange Earnings and outgo is given in the prescribed format as an Annexure to the Report and marked as **Annexure '6'**.

Management's Discussion and Analysis Report

In accordance with Regulation 34 (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report and marked as **Annexure '7'**.

Corporate Governance

The Company is committed to good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2018, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report. The requisite Certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report and marked as **Annexure '8'**

Compliance with applicable Secretarial Standards

Your company has complied with the applicable provisions of Secretarial Standard-1, Secretarial Standard-2 and Secretarial Standard-3 issued by the Institute of Company Secretaries of India.

Acknowledgement

Your Directors take this opportunity to thank the Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company.

Your Directors also wish to place on record their appreciation to all of the Company's employees and workers at all level for their enormous personal efforts as well as their collective contribution to the Company's performance.

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman & Managing Director

Place: Kolkata
Date: 30.05.2018

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 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,
 KKALPANA INDUSTRIES (INDIA) LIMITED
 KOLKATA - 700071

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KKALPANA INDUSTRIES (INDIA) LIMITED. (hereinafter called the company). 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 Company's, 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 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 KKALPANA INDUSTRIES (INDIA) LIMITED ("the Company") for the financial year ended on 31ST, March, 2018, 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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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'):-
 - (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable, since the company has not raised share capital during the year.**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
Not applicable, since the company has not issued shares as per (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 during the year.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
Not applicable, since the company has not issued any debt securities as per (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; and
Not applicable, since the company has not applied for delisting of its shares from any

stock exchange during the year.

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**Not applicable, since the company has not bought back of shares during the year**
- (vi) Other specifically applicable laws to the Company.
 - (a) Water (Prevention and Control of Pollution) Act, 1974 and Air(prevention and Control of pollution) Act, 1981.
 - (b) Factories License under Factories Act, 1948 for its units situated in different places.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, and
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 were no changes 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that 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.

Place: KOLKATA
Date: 29.05.2018

ASHOK KUMAR DAGA
FCS No.2699, C P No: 2948

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

- (1) A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.**

The Corporate Social Responsibility Policy, which encompasses the company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the "Kkalpana Industries (India) Limited CSR Policy". This policy shall apply to all CSR initiatives and activities taken up at the various work-centers and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

CSR Vision– Providing assistance in the development of weaker sections of the society, promoting health care and zeal of education in every spirit and ensuring environmental sustainability.

The CSR policy of the Company is available on the website of the Company under the head policy at www.kkalpanagroup.com/investor-relations.php .

- (2) The Composition of the CSR Committee.**

Dr. P.R.Mukherjee	- Chairman
Mr. Narrindra Suranna	- Member
Mr. Rajesh Kothari	- Member
Mr. Samir Kumar Dutta	- Member

- (3) Average net profit of the company for last three financial years: Rs. 3599.86 Lacs**

- (4) Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above) Rs.72.00 Lacs**

- (5) Details of CSR spent during the financial year.**

(a) Total amount to be spent for the financial year ; **Rs. 135.42** (including unspent amount of Rs.63.42 Lacs for previous year.)

(b) Amount unspent, if any;: **Rs. 0.00**

(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 (relevant clause prescribed under the Act)	Sector in which the project is covered	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Amount outlay (budget project or programme wise	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Details of Implementing Agency
1	Clause(ii) of Schedule VII of the Act.	Promoting education, including special education	Local area i.e. Kolkata- West Bengal	Rs. 79,50,000	Rs.79,50,000	Rs.79,50,000	Acharya Mahapragya Mahashraman Education and Research Foundation (AMMERF), Kolkata

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified (relevant clause prescribed under the Act)	Sector in which the project is covered	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Amount outlay(budget project or programme wise	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Details of Implementing Agency
2	Clause(ii) of Schedule VII of the Act.	Promoting education, including special education	Other i.e. Varanasi- Uttar Pradesh	Rs. 35,00,000	Rs.35,00,000	Rs.35,00,000	Unique Social Foundation
3	Clause(i) of Schedule VII of the Act.	Promoting healthcare including preventive healthcare	Local area i.e. Siliguri- West Bengal	Rs. 21,00,000	Rs.21,00,000	Rs.21,00,000	Maharaja Agrasen Research and Service Foundation

(6) The reasons for not spending two (2) % of the average net profit of the last three (3) years or any part thereof:

Not Applicable.

(7) Responsibility statement:

The CSR Committee of the Board confirms that the implementation and monitoring of CSR Policy is in line with the CSR Objectives and Policy of the Company.

(Narrindra Suranna, Managing Director)	(Dr. P.R.Mukherjee, Chairman, CSR Committee)
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AOC – 1

[Pursuant to first proviso to sub section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014]

**Statement containing salient features of the financial statements of subsidiaries/
associate companies / joint ventures**

Part “A”: Subsidiaries

Name of the Subsidiary		PLASTIC PROCESSORS AND EXPORTERS PRIVATE LIMITED
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2017 to 31.03.2018
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Rupees
3.	Share Capital	5,00,000
4.	Reserves & surplus	19,823,409.69
5.	Total assets	155,806,475.92
6.	Total liabilities	155,806,475.92
7.	Investments	-
8.	Turnover	-
9.	Profit before taxation	(17,465,332.89)
10.	Provision for taxation	-
11.	Profit after taxation	(17,465,332.89)
12.	Proposed Dividend	-
13.	% of shareholding	90%
Notes: The following information shall be furnished at the end of the statement		
1	Names of Subsidiaries which are yet to commence operations	N.A.
2	Names of subsidiaries which have been liquidated or sold during the year	N.A.

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No.: 302096E

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)

Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)

Whole Time Director

B. Mukherjee

Partner

Membership No. 002941

Date: 30.05.2018

Place: Kolkata

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

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

Part “B”: Associates and Joint Ventures

Name of Associates		KKALPANA PLASTICK LIMITED
1.	Latest audited Balance Sheet Date	31.03.2018
2.	Shares of Associate held by the company on the year end	
	i. Number	2002920
	ii. Amount of Investment in Associates (Rs. In lacs)	200.29
	iii. Extend of Holding %	36.23
3.	Description of how there is significant influence	By way of ownership
4.	Reason why the associate is not consolidated	N.A.
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. In lacs)	659.77
6.	Profit / Loss for the year	
	i.Considered in Consolidation	4.33
	ii.Not Considered in Consolidation (Rs. In lacs)	7.62

- Names of associates or joint ventures which are yet to commence operations.-N.A.
- Names of associates or joint ventures which have been liquidated or sold during the year-N.A.

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No.: 302096E

For and on behalf of the Board of Directors

Narrindra Suranna**(DIN: 00060127)**

Chairman and Managing Director

Rajesh Kothari**(DIN: 02168932)**

Whole Time Director

B. Mukherjee

Partner

Membership No. 002941

Date: 30.05.2018

Place: Kolkata

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

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

Disclosure in Board's report as per the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sl.No	Requirements of Rule 5(1)	Name & Designation of Key Managerial Personnel	Details
1	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year.	Mr. N.Suranna, Managing Director Mr. Rajesh Kothari, Whole Time Director Dr.P.R.Mukherjee, Whole Time Director (Technical)	15.44: 1 14.70 : 1 6.62 : 1
2	The percentage increase in remuneration of each director, CFO, CEO, CS or manager, if any, in the financial year.	Mr. N.Suranna, Managing Director Mr. Rajesh Kothari, Whole Time Director Dr.P.R.Mukherjee, Whole Time Director(Technical) Mr. I.C.Dakalia, Chief Financial Officer Mr. A .B.Chakrabarty, Company Secretary (01.04.2017 – 31.05.2017) Ms. Tanvi Panday Company Secretary (From 01.06.2017)	25.00% No change No change 46.13% N.A. N.A.
3	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees in the financial year was increased by 13.47%.	
4	The number of permanent employees on the rolls of Company	There were 314 Employees as on 31.03.2018.	
5	The explanation on the relationship between average increase in remuneration and company performance.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
6	Comparison of the remuneration of the KMP against the performance of the Company.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	

Sl.No	Requirements of Rule 5(1)	Name & Designation of Key Managerial Personnel	Details
7	Variation in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increases in the managerial remuneration.	Average salary increase of non-managerial employees is 13.88%. Average salary increase of managerial employees is 12.77% There are no exceptional circumstances for increase in the managerial remuneration and the increase is commensurate to market standards	
9	The key parameters for any variable component of remuneration availed by the directors.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
10	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
12	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMP and other employees.	

Note : Managing Director & Whole Time Directors are Whole Time Directors & Other Directors are Non-Executive Independent Directors , who are paid only sitting fees for attending the Board and Committee meetings. Hence, ratios provided are only for Managing Directors & Whole Time Directors.

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman & Managing Director

Place: Kolkata
Date: 30.05.2018

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018
of
KKALPANA INDUSTRIES (INDIA) LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L19202WB1985PLC039431
ii	Registration Date	03.09.1985
iii	Name of the Company	KKALPANA INDUSTRIES (INDIA) LIMITED
iv	Category/Sub-category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
v	Address of the Registered office & contact details	2B PRETORIA STREET, KOLKATA – 700 071 Phone : 033 2282 3744 /45, Fax :- 033 2282 3739 E Mail :- Kolkata@kkalpana.co.in Website: www.kkalpanagroup.com
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S C.B. Management Services (P)Ltd P-22, Bondel Road, Kolkata-700019 Phone: 033 2280 6692 / 93/ 94/ 2486 / 4011 6700 Fax: 033 4011 6739 Email: rta@cbmsl.com Website: www.cbmsl.com

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.	PE Compound	20131	50%
2.	PVC Compound	20131	25%
3.	Others	20131	25%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Plastic Processors & Exporter Private Limited Address: Unit-1007, D Mall, A1, Netaji Subhash Place, Pitampura, North West Delhi- 110034	U25209DL2005PTC144256	Subsidiary	90.00	2(97)(ii)
2.	Kkalpana Plastick Limited Address- 2B, Pretoria Street, Kolkata – 700 071	L25200WB1989PLC047702	Associate Company	36.23	2(6)

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 (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	764860	0	764860	0.81	764860	0	764860	0.81	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	68503515	0	68503515	72.82	68503515	0	68503515	72.82	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:-(A) (1)	69268375	0	69268375	73.63	69268375	0	69268375	73.63	0.00
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	69268375	0	69268375	73.63	69268375	0	69268375	73.63	0.00
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	4000	4000	0.00	0	2500	2500	0.00	-0.00
b) Banks/FI	0	0	0	0.00	1125	0	1125	0.00	+ 0.00
C) Central govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	0	4000	4000	0.00	1125	2500	3625	0.00	-0.00

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporate									
i) Indian	13976338	255500	14231838	15.13	14290812	2400000	14530812	15.44	+0.31
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	4215293	2155100	6370393	6.77	4338672	1378390	5717062	6.08	-0.69
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	3719295	0	3719295	3.95	3391394	0	3391394	3.60	-0.35
c) Others (specify)									
c)(i) Non-Resident Individuals	146578	331000	477578	0.51	128749	305500	434249	0.46	-0.05
c)(ii) Clearing Members	1451	0	1451	0.00	14403	0	14403	0.01	+0.01
c)(iii) IEPF	0	0	0	0.00	713010	0	713010	0.76	+0.76
SUB TOTAL (B)(2):	22058955	2741600	24800555	26.36	22877040	1923890	24800930	26.36	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	22058955	2745600	24804555	26.36	22878165	1926390	24804555	26.36	+0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	91327330	2745600	94072930	100.00	92146540	1926390	94072930	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% change in share holding 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	Tara Devi Surana	75505	0.079	0.00	75505	0.079	0.00	0.00
2	Narrindra Suranna	2000	0.0021	0.00	2000	0.0021	0.00	0.00
3	Dev Krishna Suranna	683850	0.727	0.00	683850	0.727	0.00	0.00
4	Surendra Kumar Surana	3505	0.0037	0.00	3505	0.0037	0.00	0.00
5	Shyambaba Trexim Pvt. Ltd.	15551680	16.5315	0.00	15551680	16.5315	0.00	0.00
6	Sri Ram Financial Consultants Pvt. Ltd.	44785170	47.6069	0.00	44785170	47.6069	0.00	0.00
7	Inbara Holdings Pvt. Ltd.	7250000	7.7068	0.00	7250000	7.7068	0.00	0.00
8	Krishna Commodeals Pvt. Ltd.	916665	0.9744	0.00	916665	0.9744	0.00	0.00

III. Change in Promoters' Shareholding

Sl. No.		Share holding at the beginning of the Year (As on 01.04.2017)		Cumulative Share holding during the year (As on 31.03.2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	69268375	73.63	69268375	73.63
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change during the year.			
	At the end of the year	69268375	73.63	69268375	73.63

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Shareholding as on 01.04.2017		Transactions during the year		Shareholding as on 31.03.2018	
	No. of Shares	% of total shares of the company	Purchase	Sale	No. of Shares	% of total shares of the company
For Each of the top ten shareholders						
1. Almond Polytraders Private Limited	7750000	8.24	0	0	7750000	8.24
2. Liable Textiles Private Limited	4465969	4.75	0	0	4465969	4.75
3. Sree Polytraders Private Limited	1068170	1.14	0	0	1068170	1.14
4. Dilip Kumar H Parmar	876494	0.93	10000	223083	663411	0.71
5. Meghdoot Arvind Thakkar	669585	0.71	0	69230	600355	0.64
6. Kedar Dattatraya Borgaonkar	609383	0.65	0	0	609383	0.65
7. Dattatraya Shankar Borgaonkar	346603	0.37	0	0	346603	0.37
8. Misrilall Mines Private Limited	250000	0.27	0	0	250000	0.27
9. Satish Kumar	165350	0.18	24467	189817	0	0
10. Pushpaben Chandraprakash Jain	125000	0.13	0	25000	100000	0.11

(v). Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	For Each of the Directors & KMP				
	Narrindra Suranna, Managing Director (Executive)	2000	0.0021	2000	0.0021
	Rajesh Kothari, Whole Time Director	0		0	
	Pranab Ranjan Mukherjee, WTD (Technical)	0		0	
	Samir Kumar Dutta, NED & ID	0		0	
	Ramakant Mishra, NED & ID	0		0	
	Mamta Binani, NED & ID	0		0	
	I.C.Dakalia, CFO	0		0	
	A.B.Chakrabarty, Company Secretary (01.04.2017-31.05.2017)	0		0	
	Tanvi Panday, Company Secretary (From 01.06.2017)	0		0	
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NO CHANGE DURING THE YAER			
	At the end of the year	2000	0.0021	2000	0.0021

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amt. Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	33418.7	1603.82	0.00	35022.51
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	33418.7	1603.82	0.00	35022.51
Change in Indebtedness during the financial year				
• Addition	549019.46	512.64	0.00	549532.10
• Reduction	561869.25	336.19	0.00	562205.44
Net Change	(12849.79)	176.45	0.00	(12673.44)
Indebtedness at the end of the financial year				
i) Principal Amount	20568.90	1780.27	0.00	22349.17
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	20568.90	1780.27	0.00	22349.17

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WT/Manager			Total Amount (Rs. In Lacs)
		Narrindra Suranna	Rajesh Kothari	Pranab Ranjan Mukherjee	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under u/s 17(3) of the Income-tax Act, 1961	42.00	40.00	18.00	100.00
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission - as % of profit - others, specify...	0.00	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00	0.00
	Total (A)	42.00	40.00	18.00	100.00
	Ceiling as per the Act	Within the ceiling mentioned in part –ii of schedule V of the Companies Act,2013			

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs. In lacs)
		Samir Kumar Dutta	Ramakant Mishra	Mamta Binani	
1	Independent Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	1.20	1.50	0.60	3.30
	Total (1)	1.20	1.50	0.60	3.30
2	Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	0.00	0.00	0.00	0.00
	Sitting fee for attending AGM held on 23.09.2017	0.10	0.10	0.00	0.20
	Total (2)	0.10	0.10	0.00	0.20
	Total (B)=(1+2)	1.30	1.60	0.60	3.50
	Total Managerial Remuneration (A+B)				103.50
	Overall Ceiling as per the Act	Within the ceiling mentioned in part –ii of schedule V of the Companies Act,2013			

C. Remuneration of Key managerial Personnel other than MD/Manager /WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (Rs. In Lacs)
		Mr. I.C. Dakalia, CFO	Mr. A.B. Chakrabarty, CS (01.04.2017-31.05.2017)	Ms. Tanvi Panday, CS (from 01.06.2017)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20.91	1.93	5.50	28.34
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.00	0.00	0.00	0.00
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	. Commission - as % of profit - others, specify...	0.00	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00	0.00
	Total (C)	20.91	1.93	5.50	28.54

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	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman & Managing Director

Place: Kolkata
Date: 30.05.2018

Annexure-‘6’**Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2017.****1. CONSERVATION OF ENERGY.****A) ENERGY CONSERVATION MEASURES TAKEN:**

In addition to the existing measures being practiced, the following steps were taken:-

- i. Education of workforce at the Head Office regarding use of various office equipments, especially computers in a manner that uses less energy.
- ii. Installation of energy efficient equipments, such as Compact Fluorescent Light Bulbs (CFLs) and Battery Charging Systems at all offices.
- iii. Adoption of policy of having our heating and cooling equipment serviced regularly.

B) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.

- i. Rationalization of Plants to save and optimize use of energy.
- ii. Means of conservation of energy currently being utilized in process plants is being studied.

C) IMPACT OF MEASURES AT (A) AND (B) ABOVE.

Energy usage has been controlled due to above mentioned efforts being undertaken by the company.

D) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION.

The particulars are furnished in prescribed Form -A annexed hereto.

2. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are furnished in prescribed Form-B annexed hereto.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO.**A) ACTIVITIES RELATING TO EXPORT, INITIATIVES TAKEN TO INCREASE EXPORTS, DEVELOPMENT OF NEW EXPORT MARKETS FOR PRODUCTS AND SERVICES AND EXPORT PLANS:**

Company is making serious efforts for marketing of its products in global markets. With India's growing importance as a low cost manufacturing base with good health, safety and environment practices, your company sees a great export potential in many of its products. Effective steps have been taken in this regards and the company is receiving good responses to its efforts.

B) TOTAL FOREIGN EXCHANGE USED AND EARNED

(Rs. In Lacs)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Total Foreign Exchange earned	32,409.19	36,090.34
Total Foreign Exchange used	60,997.86	85,500.04

FORM – A

Disclosure of Particulars with respect to Conservation of Energy			
A. Power and Fuel Consumption	Unit	FY 2017-18	FY 2016-17
1. Electricity			
a) Purchased			
Unit	KWH	44,081,092.00	32460787.50
Total amount	Rs.	225,878,130.13	163677622.5
Rate / Unit	RS./KWH	5.12	5.04
b) Own generation (through diesel generator)			
Unit	KWH	90,721.38	54333.73
Total amount	Rs.	1,679,941.00	974604.00
Rate / Unit (Average)	RS./KWH	18.52	17.94
2. Coal			
3. Furnace Oil			
4. Other/Internal Generation			
B. Consumption per unit of Production of PVC, XLPE compounds & Master Batches & Agglomerates, Ink etc			
Net saleable production	MT	222881.32	260071.49
Electricity	KWH / MT	198.19	125.02

FORM – B**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION.****RESEARCH AND DEVELOPMENT**

a) Specific areas in which R & D is carried out by your company.

i) Horizontal and vertical expansion of Company's product profile.

ii) New & Improved Product Development.

iii) Up gradation of R&D lab, efforts are being made to develop state of the art R&D centre at Daman works to cater to the growing demand for Hi- Tech products.

b) Benefits derived as a result of R & D.

Efficiency and yield improvement, loss reduction and modernization programme.

i) Import Substitution

ii) Increased Market share for various products.

iii) Better market penetration of various products.

iv) Developments of various grades of PVC & XLPE compounds to meet changing market needs.

c) Future Plan of Action.

The R & D Centre has undertaken development of various grades of PVC Compound to meet the changing conditions.

d) Expenditure on R&D.

(Rs. In Lacs)

Particulars	FY ended 31 st March,2018	FY ended 31 st March,2017
Capital	102.17	204.89
Recurring	16.08	13.83
Total R & D Expenditure	118.25	218.72

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION.

a) Efforts, in brief, made towards technology absorption, adoption and innovation as above.

b) Benefits derived as a result of the above efforts: New Products are being developed for polymer mixing by up gradation and innovation as enumerated above.

c) No import of technology was carried out during the last 5 years from the beginning of financial year.

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN:00060127)

Chairman and Managing Director

Place: Kolkata

Date: 30.05.2018

Management Discussion and Analysis Report

GLOBAL OVERVIEW:

The Global economy, in general, was volatile. Particularly, EU countries & Gulf countries i.e. UAE & Saudi Arabia saw erratic movements in their respective economies. However, global economic growth was 3.4% in 2017.

The continuing import trade was among USA, China and EU countries and now the ongoing currency war will limit the prospects of growth of world economy. It is feared that if the import trade war intensifies, the same will lead to recession and unemployment.

The tariff war between USA and China, the two largest economies of the world will have devastating impact on the global economy. It will increase the prices of a number of imported products which will have adverse impact on the global economy. This will result in slowing down of global economy which in due course will lead to unemployment. There is every possibility that the world economy will fall into recession.

INDIAN ECONOMY

The GDP for the year 2017-18 was 6.6%. However, it is expected that the GDP will rise to 7.3% in 2018-19 and 7.6% in 2019-20. The Indian economy is acquiring versatility and it is expected that the present GDP in monetary terms amounting to \$2.5 trillion will rise to \$10 trillion by 2030. This is the estimate of World Bank.

Consequently, it is surmised that all sides of Indian Economy will grow by leaps and bounds. Further, enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to further boost the growth trajectory.

Industry Overview

The market for cable and wires is mainly dominated by unorganized sector which controls nearly 70% of the domestic demand for wires and cables. However, with the introduction of GST the scenario is changing. The units operating on unorganized sector are now finding difficulty in marketing their products because of GST.

Industry Structure and Developments

The company's polymer compound business is directly intertwined with the fortunes of cable industry, packaging industry and footwear industry. If there is demand push in these segments, the topline and bottomline of your company will significantly increase.

India will need to generate 0.5 KW of electricity per person to provide reasonable level of opportunity to its population. Based on current population projection for 2025, India needs to increase its generation capacity at least 2.5 times roughly, i.e. from 280 GW to 710GW. The energy requirement of 0.5KW per person is roughly half of the European average and a quarter of US average.

The increased generation of electricity will require total revamping of infrastructure for distribution of electricity, which is mainly through cables and it is mainly the cable industry where your company's finished products are in great demand. Therefore, your company has immense potential of all round growth..

Company's Performance:

A. Financial Performance for 2017-18:-

- Gross turnover for the year is Rs. 1775.94Crore against Rs. 2147.90 Crore in 2016- 17.
- PBIDT for the year Rs.10943.41 Crore as against 10444.27 Crore in 2016-17.
- Profit before Tax for the year Rs. 34.50 Crore against Rs.37.32 Crore in 2016-17.
- Capital Structure of the Company as at 31st March 2018 is Rs. 18.81 Cr comprising of 94072930 nos. of equity shares of Rs. 2/- each.

B. Product wise operational performance:-

Product wise, your company is engaged in manufacturing of the following products, the performance of which is discussed below-

PVC Compound and Master Batches

The turnover from PVC Compound & Master Batches is Rs. 43388.18 lacs as against Rs. 60491.60 lacs in the previous year.

PE Compounds

Turnover from PE compound is Rs. 88479.17 lacs in the year under review year as against Rs. 104130.02 lacs in the previous year.

Agglomerates, Reprocessed Granules & Scraps

Turnover from these items is Rs. 44395.03 lacs as against Rs. 48142.95 lacs in the previous year.

Future Outlook

Because of the Central Government's total emphasis on infrastructure and continuation of reforms, the sector in which your company operates will get a big boost. Further, the strong Research and Development (R&D) facilities of your company will propel the turnover in very near future. Your company has been constantly seeking inroads in overseas market.

Opportunity and Threats

Opportunity

India will need to increase the generation of electricity from 280GW to 710GW. This will enhance the growth prospect of cable industry where the inputs of your company are in high demand. Consequently, the topline and also the bottomline of your company will also increase.

Further, the likely growth in Indian economy will increase the disposable income of Indians and the purchasing power will get enhanced. This will indirectly be beneficial for your company because of acceleration in demand in packaging and footwear industry.

Threat

As already mentioned above, the main threat is from unorganized sector which is, however, gradually receding due to introduction of GST.

India will not be able to remain immune to recession in world economy, if it does happen. There is fear that the ongoing import tariff trade war and currency war will push the world economy to recession and unemployment.

Risks and Concerns:

Risk factor is ingratiated to all business activities of all companies, though in varying degrees and forms. As far as your company is concerned, it has an approved risk management policy by the Board of Directors. Risk evaluation and its management is ongoing process within your company and is periodically reviewed by the Board of Directors of your company.

The main risks of your company are as under:

Business risks

Your company has to face intense competition from unorganized sector pertaining to plastic compounds. Further, the raw material prices remain volatile. It is very difficult to estimate the near future raw material cost. As such, raw material's procurement is erratic.

Technology risks

Quality up gradation and product obsoletion risks are intertwined with your company's business management. However, the high standard of in-house research and development fortifies the technological risks to some extent.

Financial risks

Currency war is looming on the horizon of global economy. This will make the interest rates of banks rise progressively, a factor which will squeeze rate margin of your company. Moreover, it is feared that obtaining bank finance will also be difficult because nearly all the Public Sector Banks (PSB) are already having large NPAs. Availability of finance will be a critical factor for your company in the near future, if the financial situations, referred above, do not take a positive turn.

Internal Control System.

The Company has a well established internal control framework covering all functional areas. It includes independent review of control system by internal auditors, review mechanism by Audit Committee and periodic review by the management.

Currently all the operations of the company are carried out in conformity with the defined process. The Company also has policy of periodic reviews of all business activities viz. purchase, stores, marketing, personnel, production, maintenance, finance and accounts, IT systems. The Audit Committee of the Board periodically reviews the terms of reference and the adequacy of internal control system, significant observations and their disposals and remedies if any.

Human Resources and Industrial Relations

The Company appreciates performance of the employees for the year and anticipates much more for the years to come. Your Company believes in employee empowerment across the entire organization in order to achieve organizational effectiveness. The Human Resource policies are soundly drafted for all levels of employees to serve them motivation, transfer & promotions and to retain the skills. Over a period of time, your company has built and nurtured a dedicated and excellent workforce who consists of engineers, CAs, CSs, MBAs, and advance degree holders like PhDs having a big business portfolio. The Industrial relations of the Company was cordial and there were no instances of employee disputes arising during the year.

Cautionary Statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, estimates, and expectations and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws, natural calamities and so on over which the company does not have any direct control.

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)

Chairman & Managing Director

Place: Kolkata

Date: 30.05.2018

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders. It provides structure to set the objectives, the means to attain them and monitor the performance. It is a commitment to the business ethics and values and not limited to compliances and transparency. Since Large Corporations employ a vast quantum of societal resources, Kkalpana believes that the governance process should ensure that these resources are utilized in a manner that meets stakeholders' aspirations and societal expectations.

Corporate Governance helps to serve corporate purpose by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Corporate governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders.

The Philosophy of the Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms to laws, regulations and guidelines and continue focusing on its resources, strengths and strategies to achieve its vision of becoming a market leader in plastics industries, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to Kkalpana Group.

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence & customer satisfaction and maximizing long term shareholder's value. In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholder's value and commitment to high standard of business ethics.

Some of the major initiatives taken by the Company towards strengthening its corporate governance systems and practices include the following:

Secretarial Audit:

The Company has appointed an independent practicing Company Secretary to conduct Secretarial audit. The Secretarial Audit Report for the financial year 2017-18 forms part of Directors Report.

Role of Company Secretary in overall Governance Process:

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings.

Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India:

The Institute of Company Secretaries of India (ICSI) is one of the premiere professional bodies in India. ICSI has issued Secretarial Standards on important aspects like Board Meetings (SS1), General Meetings (SS2), Payment of Dividend (SS3), Maintenance of Registers and Records, Minutes of Meetings and Transfer / Transmission of Shares. The observance of Secretarial Standards SS1, SS2 and SS3 are mandatory. Rest are recommendatory in nature, the company adheres to the applicable standards voluntarily.

2. BOARD OF DIRECTORS:

The Board of Kkalpana has an appropriate mix of Executive and Non-Executive Directors. The Non-Executive Directors include Independent Directors and a women Director and is in conformity with Regulation – 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Board and Category of Directors is as follows:

KKALPANA INDUSTRIES (INDIA) LIMITED

- a) As on 31st March, 2018, the Board comprises Chairman & Managing Director, two Whole Time Directors and three non executive independent directors including one Women Director. The Chairman is an Executive Director.
- b) None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the Companies in which they are Directors. Necessary disclosures regarding Committee positions in other public Companies have been made by the Directors.
- c) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last (AGM), as also the number of Directorship and Committee positions held by them in other Companies are given herein below.

Name	Designation	Category	Attendance Particulars		Outside Directorships & Committee Position (excluding Kkalpana Industries (India) Limited)		
			Board Meeting	Last AGM	Other Director ships**	Committee Memberships#	Committee Chairmanships#
Narrindra Suranna	Chairman & Managing Director	Executive & Promoter	6	Yes	-	-	-
Rajesh Kothari	Whole Time Director	Executive	3	Yes	-	-	-
Dr.P.R.Mukherjee	Whole Time Director (Technical)	Executive	5	Yes	-	-	-
Samir Kumar Dutta	Director	Non Executive & Independent	5	Yes	-	-	-
Ramakant Mishra	Director	Non Executive & Independent	6	Yes	Kkalpana Plastick Limited	-	1
Mamta Binani	Director	Non Executive & Independent	5	No	1. GPT Infraprojects Limited 2. Century Plyboards (India) Limited 3. Emami Cements Limited 4. Magma Housing Finance 5. Skipper Limited 6. Vikram Solar Limited 7. Anmol Industries Limited	4	2

** Directorship includes only Public Companies.

Committees includes Audit Committee and Stakeholders Relationship Committee across all companies.

Details of the Directors Seeking appointment / re- appointment at the Annual General Meeting, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 have been given along with the Notice of Annual General Meeting.

As required under the Accounting Standard 18 transaction with related parties are furnished under note 41 of notes on financial statement. There was no transactions of material nature with Promoter Directors or their relatives, etc. that may have potential conflict with the interest of the company. With regards to disclosure received from Directors and senior management there was no transaction with the company which might have potential conflict with the interest of the company at a large.

Shareholdings of directors as on 31.03.2018 are as under:

Name of the Director	No. of Ordinary Shares held	% of Paid – up Capital
Narrindra Suranna	2000	0.002%
Rajesh Kothari	-	-
Samir Kumar Dutta	-	-
Dr.P.R.Mukherjee	-	-
Ramakant Mishra	-	-
Mamta Binani	-	-

3. BOARD AGENDA

Scheduling and Selection

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/ Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board/ Committee Meetings.

Information given to the Board

The dates for the Board Meetings for the ensuing year are decided well in advance and communicated to the Directors. Additional meetings of the Board are held when deemed necessary. Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committee(s). However, in case of business exigencies or urgencies, few resolutions are passed by way of circulation and if required same is supported by an audio call to explain the rationale. The Board periodically reviews compliance reports with respect to laws and regulations applicable to the Company. The recommendations of the Committees are placed before the Board for necessary approvals. The information as enumerated in Part A of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') <http://www.sebi.gov.in/cms/sebidata/attachdocs/1441284401427.pdf> is made available to the Board of Directors for discussions and considerations

Post Meeting follow up System:

The Governance processes in the Company include an effective post meeting follow-up, review and reporting process for action taken / pending on decisions of the Board. Decisions are promptly communicated to the concerned departments. Action taken report on decisions / minutes of previous meetings is placed at the succeeding meetings of the Board/ Committee for noting.

4. DETAILS OF BOARD MEETINGS DURING THE FINANCIAL YEAR:

The Meetings of the Board of Directors are normally held at the Company's Registered Office at Kolkata. During the financial year 2017-2018, 6(Six) meetings of the Board were held and the gap between two meetings did not exceed four months (120 days). The dates on which the said meetings were held are as follows:

Sl.No	Date	Sl.No	Date
1	30.05.2017	4	14.11.2017
2	10.08.2017	5	30.01.2018
3	11.09.2017	6	31.03.2018

Board Independence

Based on the confirmation/ disclosures received from the Directors, all Non-Executive Directors are Independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. There are no material pecuniary relationships or transactions between the

Independent Directors and the Company, except for sitting fees and commission drawn by them for attending the meeting of the Board and Committee(s) thereof. None of the Non-Executive Directors hold any shares or convertible instruments in the Company. None of the Directors are related to each other.

A separate meeting of the Independent Directors was held on 31st January, 2018 to discuss inter alia:

1. The performance of the Chairperson of the Company, taking into account the views of Executive and Non- executive Directors;
2. The performance of the Non-Independent Directors and the Board as a whole;
3. The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Board Familiarization and Induction Programme

The Company has adopted a well-structured induction policy for orientation and training of the Non-Executive Directors to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates. The induction programme includes one-to-one interactive sessions with the Executive Directors, Senior Management including the Business CEOs and also includes visit to Company and plant sites and locations. The details of familiarization programmes imparted to independent director is available under the head policy at www.kkalpanagroup.com/investor-relations.php

Code of Business Conduct and Ethics

The Company has laid down a Code of Conduct (COC) which is applicable to all the Board members and Senior Management of the Company. The COC is available on the website of the Company www.kkalpanagroup.com under the head Policies. The Code has been circulated to all members of the Board and Senior Management and they have affirmed compliance with the Code. A declaration signed by the Managing Director (CEO) to this effect is attached to this Report.

Certification

The certificate required under Regulation 17(8) of the SEBI Listing Regulations duly signed by the Chief Executive Officer and Chief Financial Officer was placed before the Board and the same is provided in this report.

5. BOARD COMMITTEES:

The Board has constituted Committee(s) of directors, with adequate delegation of powers. The Company Secretary of the Company acts as the Secretary to the Committees. The Board is responsible for constituting, assigning and co-opting the members of the Committees. Each Committee has its own charter which sets forth the purposes, goals and responsibilities of the Committees. These Committees comprise mainly of Independent Directors who as per the terms of reference oversee the Committee's function and executes its duties and responsibilities.

Presently, there are Four Committees– the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The Board periodically reviews the minutes of the meetings of above mentioned Committees. Composition, terms of reference, number of meetings and related attendance etc., of these committees are detailed below:-

5.1 AUDIT COMMITTEE:

As on March 31, 2018, the Audit Committee of the Board comprises of two (2) Non-Executive Directors and one (1) executive Director. The Chairperson of the Audit Committee is a Non-Executive Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("hereinafter referred as "SEBI Listing Regulations" or "Listing Agreement")

The CEO, CFO, Statutory Auditors and Internal Auditors also attend the meeting of the Audit Committee

as invitees. Other invitees are invited on need basis to brief the Audit Committee on important matters.

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Approval of annual internal audit plan;
2. Review and approval of related party transactions;
3. Review of financial reporting systems;
4. Ensuring compliance with regulatory guidelines;
5. Reviewing the quarterly, half yearly and annual financial results;
6. Discussing the annual financial statements and auditors report before submission to the Board with particular reference to the (i) Director's Responsibility Statement; (ii) changes, if any, in accounting policies (iii) major accounting entries; (iv) significant adjustments in financial statements arising out of audit findings; (v) compliance with listing requirements; (vi) disclosure of related party transactions, if any; (vii) modified opinion, if any, in audit report etc.;
7. Interaction with statutory, internal and cost auditors;
8. Recommendation for appointment, remuneration and terms of appointment of auditors; and
9. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of SEBI Listing Regulations.

In addition to the above, the Audit Committee also reviews the financial statements, minutes and details of investments made by the subsidiary companies.

All the Members of the Committee have good knowledge of finance, accounts and company law within the meaning of Regulation 18 of SEBI Listing Regulations. During the year under review, the committee met four (4) times on 30.05.2017, 11.09.2017, 14.11.2017 and 30.01.2018. The Composition of the Committee and the attendance at each Committee Meetings are as follows:-

Name of Director	Category	Attendance of Directors			
		30.05.2017	11.09.2017	14.11.2017	30.01.2018
Ramakant Mishra – Chairman	Non Executive Independent	Yes	Yes	Yes	Yes
Samir Kumar Dutta-Member	Non Executive Independent	No	Yes	Yes	Yes
Rajesh Kothari – Member	Executive, Whole Time Director	Yes	No	Yes	Yes

Power of Audit Committee

The audit committee shall have powers which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

5.2 NOMINATION AND REMUNERATION COMMITTEE :

The composition of the Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The role of Committee inter-alia includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying 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 of Directors their appointment and removal;
5. To consider and evaluate whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

The Nomination & Remuneration Committee comprises of Three (3) members all of whom are Non-Executive Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director.

During FY 2017-18, the Nomination and Remuneration Committee met one (1) time i.e. on 31st January, 2018

The composition and attendance of members at the meetings held during FY 2017-18, are given below

Composition and Attendance:

Sl. No	Name of Director	Composition	Meeting(s) attended
1	Samir Kumar Dutta	Chairman	1
2	Ramakant Mishra	Member	1
3	Mamta Binani	Member	1

Performance Evaluation Criteria

The Company believes in conducting its business affairs in a fair and transparent manner; giving highest regard to good Corporate Governance practices and ensuring transparency, accountability and equity across all facets of operation and in all interactions with Stakeholders.

The Nomination and Remuneration Committee had laid down the evaluation criteria for performance evaluation of every director including Independent director and the Board pursuant to the Corporate Governance norms prescribed by the Companies Act, 2013 and SEBI Listing Regulations.

Remuneration Policy:

Nomination and Remuneration Committee recommends the remuneration for the Executive Directors, key managerial personnel and other employees. The recommendation is then approved by the Board and Shareholders. The remuneration paid to Executive Directors is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as individual Professionals/ Business Executives. Since Independent Non-Executive Directors receive only sitting fees for attending Board and Committee Meetings, therefore, no criteria for making payments, other than sitting fees, is determined.

The Non-Executive Directors of the Company have a crucial role to play in the independent functioning of the Board. They bring in an external and wider perspective to the deliberations and decision-making by the Board. The Independent Directors devote their valuable time to discussions in the course of the Board and Committee meetings of the Company. They also help to ensure good corporate governance norms.

The responsibilities and obligations imposed on the Non- Executive Directors have recently increased manifold owing to new legislative initiatives. Contribution of the Non-Executive Directors in Board and Committee Meetings, time devoted by them, participation in strategic decision making, performance of the Company and industry practices and benchmarks forms the main criteria for determining payments to Non- Executive Directors.

The remuneration of the Non- Executive Directors (NEDs) of the Company is decided by the Board of Directors. The Non- Executive Directors of the Company are being paid sitting fees of Rs. 10000 /- for attending each meeting of Board and Committees of Directors. Besides sitting fees, the Non Executive Directors of the company were not paid any other remuneration or commission.

The Company pays remuneration to its Managing Director and Whole Time Directors by way of salary, perquisites and allowances, based on the recommendation of the Committee, approval of the Board and shareholders. The Board, on the recommendation of the Nomination and Remuneration Committee, approves the annual increments (effective from 1st April each year).

Details of Remuneration Paid to Executive & Non- Executive Directors:

(Amount in Rs.)

Name	Position	Sitting Fees	Salary & Perks	Commission	Total
Narrindra Suranna	Chairman & Managing Director	Nil	42,00,000	Nil	42,00,000
Rajesh Kothari	Whole Time Director	Nil	40,00,000	Nil	40,00,000
Dr. P.R.Mukherjee	Whole Time Director	Nil	18,00,000	Nil	18,00,000
Samir Kumar Dutta	Non Executive Independent Director	1,30,000	Nil	Nil	1,30,000
Ramakant Mishra	Non Executive Independent Director	1,60,000	Nil	Nil	1,60,000
Mamta Binani	Non Executive Independent Director	60,000	Nil	Nil	60,000

5.3. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The main function of the Stakeholders' Relationship Committee is to strengthen the investor relations.

The Committee looks into redressal of shareholders' complaints and proper and timely attendance on the investors grievances. The key responsibilities of the Committee are as under:

- (i) Redressal of Shareholders'/Investors' complaints;
- (ii) Non-receipt of declared dividends, annual reports of the Company; and
- (iii) Recording of Share Transfer(s)/ Transmission(s) and Issue of Duplicate Share(s).
- (iv) Carrying out any other function as prescribed under in the SEBI Listing Regulations.

Composition

Shri Ramakant Mishra -Non Executive Independent Director–Chairman

Shri Rajesh.Kothari – Executive Director - Member

Dr.P.R.Mukherjee – Executive Director- Member

The Committee meets 6 times in the year 2017-18.

Sl.No	Name	Meeting held during the year	Meeting attended
1	Shri Ramakant Mishra	6	5
2	Shri Rajesh Kothari	6	4
3	Dr.P.R.Mukherjee	6	6

5.4. SHARE TRANSFER COMMITTEE :

During the year the committee was disbanded since the function of the committee was in line with Stakeholder Relationship Committee.

5.5 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The prime responsibility of the Corporate Social Responsibility Committee is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

Terms of Reference

Terms of reference of the Corporate Social Responsibility Committee includes the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy and any amendments thereof, indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under;
2. To recommend the amount of expenditure to be incurred on the CSR activities as per CSR Policy;
3. To monitor the CSR Policy of the Company from time to time;
4. To institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company;
5. Any other matter/ thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

Composition

The Corporate Social Responsibility Committee comprises the following four members:

Dr. P.R.Mukherjee –Chairman

Shri Narrindra Suranna – Member

Shri Rajesh Kothari – Member

Shri Samir Kumar Dutta - Member

The Committee met 3 times i.e. on 17.11.2017, 30.01.2017 and 31.03.2018 during the year 2017-18, wherein all its members were present.

The Corporate Social Responsibility Committee's composition meets the requirements of Section 135 of the Companies Act, 2013.

6. DETAILS OF GENERAL MEETING :**Annual General Meeting :**

The last Three Annual General Meetings were held as under :

Financial Year	Date	Time	Venue	Special Business, if any.
2016-2017	23 rd September, 2017	10:00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata – 700 071	Ratification of Remuneration payable to Cost Auditor; Re-appointment of Mr. Narrindra Suranna as Managing Director of the Company Re-appointment of Dr. Pranab Ranjan Mukherjee as Whole Time Director (Technical) of the Company Appointment of Mr. Samir Kumar Dutta as Independent Director of the Company.
2015-2016	29 th September, 2016	12.15 P.M	Gyan Manch, 11 Pretoria Street, Kolkata – 700 071	Ratification of Remuneration payable to Cost Auditor; Determination of fees to be charged for service of documents to members through any particular mode; Re-appointment of Mr. Rajesh Kothari as Whole Time Director.
2014-2015	30 th September, 2015	10.00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata – 700 071	Special Resolution for Appointment of Whole Time Director and Amendment in Memorandum and Articles of Association of the Company.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

6.1 Extraordinary / other General Meeting: No extraordinary General Meeting of the Shareholders was held during the year.

6.2 Postal Ballot: During the year under review no postal ballot was held however for postal ballot dated 09.03.2017 the results were declared on 26.04.2017.

Details of Voting Pattern:

Resolution No.1	Recalling of Special Resolution under Section 12 and 13(4) of the Companies Act, 2013, passed by members through postal ballot voting, the result whereof was declared on 23.12.2015, in connection with shifting of registered office of the company from state of West Bengal to the Union Territory of Dadra & Nagar Haveli					
Votes Cast	No. of votes polled	% of votes polled on outstanding shares	Votes in Favour	Votes Against	% of votes polled in favour	% of votes polled against
	75195599	79.93	75195046	553	99.9992	0.0007
Resolution No. 2	Recalling of Special Resolution under Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, passed by members through postal ballot voting, the result whereof was declared on 23.12.2015, in connection with sell/transfer of unit situated at Falta (SEZ), 24 Paraganas (S), West Bengal.					
Votes Cast	No. of votes polled	% of votes polled on outstanding shares	Votes in Favour	Votes Against	% of votes polled in favour	% of votes polled against
	75195599	79.93	75192048	3551	99.9952	0.0472
Resolution No. 3	Special Resolution under Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and, if any, of Companies Act, 1956 and in accordance with Memorandum and Articles of Association of the Company and other applicable regulations, if any, for conversion of loan into equity, in case of default in repayment of loan					
Votes Cast	No. of votes polled	% of votes polled on outstanding shares	Votes in Favour	Votes Against	% of votes polled in favour	% of votes polled against
	75195599	79.93	75195573	26	99.9999	0.0003

6.3 Pledge of Shares

No Pledge has been created over the Equity Shares held by the Promoters and/or Promoters Group Shareholders during the Financial Year ended 31st March, 2018.

6.4 Review of legal compliance reports

During the year, the Board periodically reviewed reports placed by the management with respect to compliance of various laws applicable to the Company. The Internal Auditors also review the compliance status and report to the Audit Committee.

7. DISCLOSURES :

7.1 Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large :-

There are no materially significant transactions made by the company with its promoters, Directors or Management or relatives etc. that may have potential conflict with the interest of the Company at large.

However, attention of the members is drawn to the disclosure of transactions with the related parties and transactions as required under Accounting Standard (AS) 18 on Related Party Disclosures issued by The Institute of Chartered Accountants of India, set out in Notes to financial statement no.41 , forming part of the Annual Report.

The policy on dealing with related party transactions is available under the head policy in <https://www.kkalpanagroup.com/investor-relations.php>.

The policy for determining 'material' subsidiaries is available under the head policy in <https://www.kkalpanagroup.com/investor-relations.php>.

7.2 Details of Non compliance:-

The company has complied with the requirements of the stock exchanges, SEBI and other authorities on all matters relating to capital market during last three years. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other authorities relating to the above.

7.3 Disclosure of Risk Management :-

The company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by Senior Executives.

7.4 Proceeds from Issues, if any :- Not Applicable.

7.5 Whistle Blower Policy / Vigil Mechanism

The Audit Committee of the Company have formulated certain procedures to govern the receipt, retention, and treatment of complaints regarding the Company's accounting, internal accounting controls or auditing matters, and to protect the confidential, anonymous reporting of director(s) or employee(s) or any other person regarding questionable accounting or auditing matters.

During the year, no concerns have been reported under this mechanism. It is also affirmed that no personnel has been denied access to the Audit Committee.

7.6 Discretionary Requirements

Disclosure details of some of the Discretionary Requirements, as per Part E of Schedule II to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are as below:

The Board

The Board of the Company is chaired by an Executive Director who maintains the Chairman's office at the Company's expense.

Modified opinion(s) in audit report

There was no qualification, observation or adverse remark by the auditors on the financial statements of the Company.

Separate posts of Chairperson and Chief Executive Officer

The office of Chairman and Chief Executive officer of the Company are held by same individual.

Reporting of internal auditor

As per the requirements, the internal auditor may report directly to the Audit Committee. The same is reported by briefing the Audit Committee through discussion.

The Company has made all disclosures regarding compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of subregulation (2) of regulation 46 of SEBI Listing Regulations, in the section on corporate governance of the annual report.

7.7. Other Disclosures

Brief profile and other information , pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation ,2015, in respect of Directors seeking appointment / re appointment at the AGM, is given elsewhere in the Annual Report;-

Management Discussion and Analysis Report are given separately and forms part of Annual Report.

7.8 CEO and CFO Certification :-

The Chairman and Managing Director (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) pertaining to CEO / CFO certification for the financial year ended 31st March, 2018. The same is reproduced below;

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification

To,
The Board of Directors,
Kkalpana Industries (India) Ltd,
2B, Pretoria Street,
Kolkata – 700 071

Sub: CEO & CFO Certificate

(Issued in accordance with provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Shri Narrindra Suranna , CEO and Shri I.C.Dakalia, CFO heading the finance function have certified to the Board that :

- A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date: 30.05.2018

I.C.Dakalia

Narrindra Suranna (DIN:00060127)

Place: Kolkata

Chief Financial Officer

CEO

8 CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT.

The Company has adopted the code of conduct for Senior Management and Directors. The code has been circulated to all the members of the Board and senior management and the same has been put on the Company's website (<http://kkalpanagroup.com/investor-relations.php>) under the head Code of Conduct. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Managing Director and CEO of the Company appointed in terms of the Companies Act, 2013 is annexed separately to this report.

9 MEANS OF COMMUNICATION :**Financial Results**

In compliance with the requirements of SEBI Listing Regulations, the Company has intimated the financial results to the stock exchanges immediately after they are taken on record by the Board. Further coverage has been given for the benefit of the shareholders and investors by publication of the financial results in the leading national dailies like Economic Times / Financial Express / Business Standard etc., and a local vernacular newspaper (Arthik Lipi) circulated in the state of West Bengal. Up-to-date financial results, annual reports, shareholding patterns and other general information about the Company are available on the Company's website <http://www.Kkalpanagroup.com>.

BSE Corporate Compliance & Listing Centre (the "Listing Centre"):

The Listing Centre of BSE is a web based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are also filed electronically on the Listing Centre and readily available on their website www.bseindia.com.

SEBI Online Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are:

Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Your Company is registered on SCORES.

10 CODE OF INSIDER TRADING:

In pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "Code of Conduct for Prevention of Insider Trading" with objective of Preventing purchase and or sale of shares of the company by an insider on the basis of unpublished price sensitive information. Further the Trading Window has been closed for the Directors and Employees of the Company as per Insider Trading Code in force in the Company. The code of conduct for insider trading is available on the Company's website (<http://kkalpanagroup.com/investor-relations.php>) under the head Code of Conduct.

11 GENERAL SHAREHOLDERS INFORMATION :**(i) Annual General Meeting (AGM)**

Day, Date & Time : Thursday, the 27th September, 2018 at 10:00 A.M.

Venue : Gyan Manch, 11- Pretoria Street, Kolkata – 700 071

(ii) Date of Book Closure : Friday, 21st September, 2018 to Thursday, 27th September, 2018
(both days inclusive)

(iii) Dividend (for FY 2017-18) payment date: 02.10.2018.

(iv) Financial Calendar for Year 2018-2019 (tentative)

The Company follows the financial year from April to March.

For the quarter ending	30 th June ,2018]	Within 45 days of the end of the quarter.
For the quarter & half year ending	30 th September ,2018		
For the quarter & nine months ending	31 st December, 2018		
For the quarter & year ending	31 st March ,2019 (Audited)]	With in 60 days of the end of the Quarter/Year.

(v) Listing on Stock Exchanges: The Share of the Company is listed in the following Exchanges.

Name of the Stock Exchanges	Stock Code
The Bombay Stock Exchange Ltd.(BSE)	526409
The Calcutta Stock Exchange Ltd. (CSE)	10029050

The Company has paid the annual listing fees for the financial year 2018-19 to all the exchanges and has paid the custodial fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2018-19. The Company is in the process of delisting its shares from The Calcutta Stock Exchange Limited.

(vii) Dematerialisation of Shares and Liquidity:

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their holdings in physical form, with any one of the Depositories namely National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). The ISIN No. for the Equity Shares of the Company is INE301C01028. As on 31st March, 2018, 92146540 shares representing 97.95% of the Equity Shares stand dematerialised. It may be noted that in respect of shares held in demat form, all the request of shares held in demat form, all the requests for nomination, change of address, NECS, Bank Mandate and rematerialisation etc. are to be made only to the Depository Participant (DP) of the Shareholders.

(viii) Registrar & Transfer Agent:

All communications related to share matters of the Company should be made to M/s. C B Management Services (P) Limited. Address of which is given below:

M/s. C B Management Services (P) Limited
P-22- Bondel Road, Kolkata – 700 019
Phone: 033 2280 6692 / 93/ 94/ 2486 / 4011 6700
Fax: 033 2287 0263
E mail: rta@cbmsl.com

(ix) Share Transfer System:

The Board has authorised Registrar and Share Transfer Agents for processing of share transfers/ transmissions, which are taken on record and ratified by the Company's Stakeholder Relationship Committee.

This Committee meets as and when required for approving the share transfers/transmissions except those rejected on technical grounds.

Pursuant to Regulation 40(9) of the SEBI Listing Regulation, certificate has been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Also, pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, certification is done by a Company Secretary-in-Practice regarding timely dematerialisation of the shares of the Company.

The Company has appointed M/s. CB Management Services (P) Limited as a common agency

for share registry work (both physical & electronic) in compliance of circular No. D&CC/FITTC/ CIR15/2002 dated 27th December, 2002 issued by SEBI, for all matters connected with transfers and transmissions of shares and also dematerialization of shares and other related functions.

(x) Investor Grievance Redressal System.

The investor grievances against the company are handled by the Company's Registrar and Transfer Agents (RTA), in consultation with the Secretarial Department of the Company. The Registrars have adequate skilled staff with professional qualifications and advance computer systems for speedy redressal of investor's grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerized to ensure timely settlement. It normally takes 15 days from the date of receipt of complaint for disposal of investor grievances.

ONE Investor's complaint / queries was received and resolved during the year under review or were required to be resolved.

(xi) Unpaid / Unclaimed Dividend.

Pursuant to section 124 of the Companies Act, 2013, unpaid or unclaimed dividend upto the financial year 2009-10 have been transferred to the General Revenue Account of the Central Government.

The unpaid / unclaimed dividend for the financial year ended 31st March, 2011 and thereafter , which remains unpaid / unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members, who have not yet encashed their dividend warrants for the financial year 31st March, 2011 or any subsequent financial years, are requested to lodge their claims without any delay. It is important to note that once the unclaimed dividend is transferred to the aforesaid, no claim shall lie in respect of thereof on the company. Then the shareholders have to claim dividend from the Central Government.

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e.23.09.2017), with the Ministry of Corporate Affairs.

(xii) Market Price Data :

The shares of the company are currently traded at BSE. The Stock Market data from 1st April, 2017 to 31st March , 2018 are given below :

Months	Bombay Stock Exchange Limited			
	Monthly High Price	Monthly Low Price	Sensex Highest	Sensex Lowest
April 17	44.00	31.45	30184.22	29241.48
May 17	54.50	38.20	31255.28	29804.12
June 17	42.45	35.60	31522.87	30680.66
July 17	41.75	38.00	32672.66	31017.11
August 17	39.85	26.10	32686.48	31128.02
September 17	33.45	25.05	32524.11	31081.83
October 17	48.30	27.00	33340.17	31440.48
November 17	45.00	32.85	33865.95	32683.59
December 17	36.25	31.60	34137.97	32565.16
January 18	44.00	35.20	36443.98	33703.37
February 18	42.30	33.00	36256.83	33482.81
March 18	40.25	30.10	34278.63	32483.84

(xiii) **Distribution Schedule as on 31.03.2018**

Range of Shares	No of Share Holders	% of Total Share Holders	No of Shares	% of Total Share Holdings
1 to 500	5008	75.79	1794233	1.91
501 to 1000	776	11.74	721642	0.77
1001 to 2000	297	4.49	475752	0.51
2001 to 3000	170	2.57	439922	0.47
3001 to 4000	54	0.82	196961	0.21
4001 to 5000	79	1.20	379206	0.40
5001 to 10000	90	1.36	672151	0.71
10001 to Above	134	2.03	89393063	95.02
TOTAL	6608	100.00	94072930	100.00

(xiv) **Share Holding Pattern as on 31.03.2018**

Category	No. of Shares Held	% of holding
Promoter's Holding		
i) Individual / HUF	764860	0.81
ii) Bodies Corporate	68503515	72.82
Total Promoter's Holdings	69268375	73.63
Non Promoter's Holding		
Mutual Funds / UTI	2500	0.00
Financial Institutions / Banks	1125	0.00
Private Body Corporate	14530812	15.45
IEPF	713010	0.76
Indian Public	9108456	9.68
Non-Resident Indian	434249	0.46
Clearing Members	14403	0.02
Total Non Promoters Holdings	24804555	26.37
Total	94072930	100%

(xv) **Outstanding GDRs/ ADRs/ Warrants / Convertible Instruments and likely impact on Equity :**

The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments to be converted into equity shares.

(xvi) **Corporate Identification Number (CIN)**

The Company is registered with the Registrar of Companies, Kolkata, West Bengal. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L19202WB1985PLC039431.

(xvii) **Reconciliation of Share Capital Audit**

A Qualified Practicing Company Secretary carried out the Quarterly Reconciliation of Share Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) of the total issued and listed Equity Share Capital. The Report on Reconciliation of Share Capital confirms that the total issued/ paid up capital is in agreement with the total number of shares.

(xviii) **Green Initiative In Corporate Governance**

One of the most important components of Corporate Governance is to communicate with the shareholders through effective means. Being a responsible corporate citizen, the Company supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India. The Company, sends Annual Reports, Intimation for dividend payment, Notices related to General Meetings and Postal Ballot by email to those shareholders whose email ids are registered with the Company. Physical copies of the documents are sent to those shareholders whose email ids are not registered and to those who have requested the same to be sent in physical copies.

Your Company strongly urges our shareholders to support the Green Initiative by giving positive consent by registering/ updating your email addresses with your respective Depository Participants or the Registrar and Transfer Agents of the Company, CB Management Services Private Limited for the purpose of receiving soft copies of various communications including the Annual Report.

(xix) Share Capital History of the Company:

Security Description	Date of Allotment	No. of Shares	Issue Price		Distinctive Numbers	ISIN Code
			Value	Premium		
Subscribers to the Memorandum	03.09.1985	200	10	-	1-200	INE301C01028
Further Allotment to promoters and others	24.03.1987	200	10	-	201-400	INE301C01028
Further Allotment to promoters and others	11.11.1987	500	10	-	401-900	INE301C01028
Further Allotment to promoters and others	29.03.1988	399100	10	-	901-4,00,000	INE301C01028
Public Issue	27.10.1988	600000	10	-	4,00,001-10,00,000	INE301C01028
Public Issue	03.12.1993	4144000	10	5	10,00,001-51,44,000	INE301C01028
Right Issue	28.12.1993	2456000	10	5	51,44,001-76,00,000	INE301C01028
Amalgamation	27.06.2006	3953600	10	-	76,00,001-1,15,53,600	INE301C01028
Conversion of Warrants	12.08.2010	3000000	10	70	1,15,53,601-1,45,53,600	INE301C01028
Conversion of Warrants	17.09.2010	3000000	10	70	1,45,53,601-1,75,53,600	INE301C01028
Amalgamation	22.09.2010	9,40,986	10	-	1,75,53,601-1,84,94,586	INE301C01028
Amalgamation	29.09.2011	3,20,000	10	-	1,84,94,587-1,88,14,586*	INE301C01028

* The face value of shares has been reduced from Rs.10/- to Rs. 2/- in the year 2015. Hence, Number of equity Shares at present is 94072930.

(xx) Plant Locations :

1. Kolkata Works -
Village – Bhasa, No.14,P.O.& P.S. Bishnupur, Diamond Harbour Road, South 24 Parganas, W.B.- 743503, India.
2. Daman Works –
168/151-158, Dhabel Industrial Co- Operative Socceity Ltd, Dhabel, Daman – 396210, India
3. Dadra I & II Works -
Survey No.24/3, Village – Demini, Demini Road, Dadra, Dadra & Nagar Haveli – 396193, India.
4. Surangi Works - Survey No. 320/1/1/2/2, Vill - Surangi, Chikhali Road, Silvassa - 396 240 (Dadra & Nagar Haveli)
5. Falta Works –
Falta Special Economic Zone, Plot No- 29, Sector – I, Village – Simulberia, Mouza – Bisra, Dist.- South 24 PGS.

(xxi) Address for correspondence :

The shareholders may contact the Company / RTA on the following addresses :

General Correspondence :

1. Kkalpana Industries (India) Limited
Secretarial Department,
2B, Pretoria Street,
Kolkata – 700 071
Phone : 033 2282 3744 /45
Fax : 033 2282 3739
E mail : kolkata@Kkalpana.co.in

Correspondence related to shares / queries/ requests :

2. M/s. C B Management Services (P) Limited
P-22- Bondel Road, Kolkata – 700 019
Phone: 033 2280 6692 / 93/ 94/ 2486 / 4011 6700
Fax: 033 2287 0263
E mail: rta@cbmsl.com

Declaration regarding Affirmation of Code of Conduct.

I hereby declare that, all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchanges, for the year ended 31st March, 2018.

For Kkalpana Industries (India) Limited

Place: Kolkata
Date: 30.05.2018

Narrindra Suranna
DIN:00060127
Chairman & Managing Director

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To, the Members of
Kkalpana Industries (India) Limited.

We have examined the compliance of conditions of Corporate Governance by Kkalpana Industries (India) Limited for the year ended 31st March, 2018 as per the relevant provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

We 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
Dated : 30.05.2018

For B.Mukherjee & Co
Chartered Accountants

(B.Mukherjee)
Partner
Membership No.002941

Independent Auditor's Report

TO THE MEMBERS OF KKALPANA INDUSTRIES (INDIA) LIMITED

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 the Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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

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

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

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the 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.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

7. The corresponding financial information of the Company as at and for the year ended 31 March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued financial statements for the years ended 31st March, 2017 and 31st March, 2016, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion vide our audit report dated 30th May, 2017 and 30th May, 2016 respectively which is also explained in Notes to the attached financial statements. These financial statements have been adjusted for differences in accounting principles to comply with Ind AS and such adjustments on transition to Ind AS which has been approved by the Company's Board of Directors have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements of the Company.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements as stated in note 36 to the financial statement.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

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

**Place: Kolkata
Date: 30th day of May, 2018**

**B.Mukherjee
(Partner)
Mem No : 002941**

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 8 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Kkalpana Industries (India) Limited for the year ended 31st March 2018)

We report that:

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As per the information and explanations given to us, physical verification of fixed assets have been carried out in terms of the phased program of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As per the information and explanations given to us, the inventories have been physically verified at reasonable intervals during the year by the management and no material discrepancies between book stock and physical stock have been found.
- iii. The Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan, not made any investment and have not provided any guarantee in respect of which Section 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, the paragraph 3(iv) of the Order is not applicable.
- v. According to information and explanations given to us, the Company has not accepted any deposits from public during the year.
- vi. We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues of Income Tax , sales tax, duty of excise, service tax and value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2018 are as under :-

Name of the statute	Nature of dues	Amount Rs. in Lacs	Assessment Year	Forum where dispute is pending
Income Tax Act 1961	Income Tax	25.46*	2012-13	CIT (A)
	Income Tax	123.02*	2011-12	CIT (A)
	Income Tax	153.16	2010-11	ITAT

*Net of amounts paid under protest.

- viii. The Company has not defaulted in repayment of dues to Financial Institutions or Banks or Government or Debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. However the Company has raised Term Loan during the year and has applied the same for the purpose for which term loans are raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Place: Kolkata
Date: 30th day of May, 2018**

**B.Mukherjee
(Partner)
Mem No : 002941**

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

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

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

**Place: Kolkata
Date: 30th day of May, 2018**

**B.Mukherjee
(Partner)
Mem No : 002941**

BALANCE SHEET AS AT 31st MARCH, 2018

(Rs. In Lacs)

	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A ASSETS				
1 Non-current Assets				
Property, Plant and Equipment	4	23,121.20	21,111.39	19,295.85
Capital Work-in-Progress	5	410.14	1,401.00	373.31
Investment Property	6	1,281.68	1,281.68	1,281.68
Other Intangible Assets	7	22.29	20.69	25.01
Financial Assets				
(i) Investments	8	236.29	236.30	200.29
(ii) Other Financial Assets	10	254.20	696.47	922.39
Other Non-Current Assets	11	347.18	153.50	342.83
		25,672.98	24,901.03	22,441.36
2 Current Assets				
Inventories	12	15,543.90	17,356.32	10,007.88
Financial Assets				
(i) Trade Receivables	13	33,113.05	33,975.35	36,284.40
(ii) Cash & Cash Equivalents	14	1,687.83	1,558.84	1,879.70
(iii) Loans	9	741.39	73.53	32.28
(iv) Other Financial Assets	10	346.18	268.72	1,179.78
Other Current Assets	15	6,497.52	4,071.68	4,932.40
		57,929.87	57,304.44	54,316.44
Total		83,602.85	82,205.47	76,757.80
B EQUITY & LIABILITIES				
1 Equity				
Equity Share Capital	16	1,881.46	1,881.46	1,881.46
Other Equity	17	27,698.53	25,519.47	22,632.39
		29,579.99	27,400.93	24,513.85
2 Non Current Liabilities				
Financial Liabilities				
(i) Borrowings	18	6,488.50	6,650.95	5,553.94
Provisions	19	93.98	54.41	42.41
Deferred Tax Liabilities (net)	20	3,002.01	2,447.66	2,171.54
		9,584.49	9,153.02	7,767.89
3 Current Liabilities				
Financial Liabilities				
(i) Borrowings	21	14,441.10	26,583.76	26,205.00
(ii) Trade Payables	22	26,690.97	14,727.76	13,394.15
(iii) Other Financial Liabilities	23	2,528.50	3,157.02	4,126.35
Other Current Liabilities	24	74.76	309.57	180.28
Provisions	25	88.96	167.97	146.84
Current Tax Liabilities (net)	26	614.08	705.44	423.44
		44,438.37	45,651.52	44,476.06
Total		83,602.85	82,205.47	76,757.80

Significant Accounting Policies and other information 1-3
Contingent liabilities and Other notes to the financial statements

The accompanying notes form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date.

For **B. Mukherjee & Co.**

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No.: 302096E

Narrindra Suranna
(DIN: 00060127)
Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)
Whole Time Director

B. Mukherjee

Partner

Membership No. 002941

Date: 30.05.2018

Place: Kolkata

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

KKALPANA INDUSTRIES (INDIA) LIMITED

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

(Rs. In Lacs)

	Note No.	As at 31st March, 2018	As at 31st March, 2017
I INCOME			
Revenue from Operations	27	176,801.02	213,708.33
Other Income	28	792.67	1,081.28
Total Income		177,593.69	214,789.61
II EXPENSES			
Cost of Materials Consumed	29	148,876.55	172,555.15
Changes in Inventories of Finished Goods & Work-in-Progress & Stock-in-Trade	30	(79.64)	497.09
Excise Duty		3,775.43	18,699.98
Employee Benefits Expense	31	2,524.86	2,211.83
Finance Costs	32	5,767.92	5,398.40
Depreciation & Amortization Expense	4-7	1,725.66	1,313.95
Other Expenses	33	11,553.08	10,381.29
Total Expenses		174,143.86	211,057.69
III PROFIT BEFORE TAX		3,449.83	3,731.92
Tax expense	34		
Current tax		688.62	826.41
Deferred tax		563.97	277.68
Total Tax expense		1,252.59	1,104.09
IV PROFIT FOR THE YEAR AFTER TAX		2,197.24	2,627.83
V OTHER COMPREHENSIVE INCOME			
i Items that will not be classified to profit and loss	35	(27.81)	(4.53)
ii Income tax relating to items that will not be classified to profit and loss		9.62	1.57
Total Other Comprehensive Income For The Year		(18.18)	(2.96)
VI TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,179.06	2,624.87
EARNING PER EQUITY SHARE (Face value of Rs 2/- each)			
Basic (Rs.)		2.33	2.79
Diluted (Rs.)		2.33	2.79
Significant Accounting Policies and other information	1-3		
Contingent liabilities and Other notes to the financial statements			

The accompanying notes form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date.

For **B. Mukherjee & Co.**

Chartered Accountants
Firm Registration No.: 302096E

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)
Whole Time Director

B. Mukherjee
Partner
Membership No. 002941
Date: 30.05.2018
Place: Kolkata

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2018

	(Rs. In Lacs)	
	As at 31st March, 2018	As at 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	3,449.83	3,731.92
Adjustment for:		
Depreciation & amortization expense	1,725.66	1,313.95
Loss/(Profit) on sale of fixed assets	10.94	(114.24)
Effect of exchange rate difference transferred to FCMTDA	-	262.21
Unwinding of Interest on security deposit	(4.62)	(1.46)
Finance cost	5,767.92	5,398.40
Interest income	(137.50)	(163.54)
(Gain)/Loss on remeasurement of Investment at fair value	0.01	(0.00)
Other comprehensive income	(27.81)	(4.53)
Provision for Doubtful debts	(376.31)	(103.01)
Bad debts written off	27.57	539.31
Notional rent on Security deposit	5.27	-
	<u>6,991.14</u>	<u>7,127.09</u>
Operating profit before Working Capital changes	10,440.97	10,859.02
Adjustments for Working Capital changes		
Decrease/(increase) in non current financial assets		
Other financial assets	(79.14)	(2.10)
Decrease/(increase) in other non current assets	(198.95)	189.34
Decrease/(increase) in inventories	1,812.42	(7,348.43)
Decrease/(increase) in current financial assets		
Trade receivables	1,232.36	1,872.76
Loans	(667.86)	(41.25)
Other financial assets	(77.46)	911.06
Decrease/(increase) in other current assets	(2,425.85)	860.72
Increase/(decrease) in non current provisions	39.57	11.99
Increase/(decrease) in current financial liabilities		
Trade payables	11,963.21	1,333.61
Other financial liabilities	(293.57)	76.90
Increase/(decrease) in other current liabilities	(234.82)	129.30
Increase/(decrease) in short term provisions	(79.01)	21.13
	<u>10,990.90</u>	<u>(1,984.98)</u>
Cash generated from operations	21,431.87	8,874.04
(Tax paid) / refund received (net)	(779.99)	(544.40)
Net cash from operating activities	20,651.88	8,329.64
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, CWIP and Intangible assets	(2,862.02)	(4,236.38)
Sale proceeds of Property, Plant and Equipment	104.89	197.74
Interest receipt on investments	137.50	163.54
Increase in investment in Term deposit	504.70	229.48
Purchase of current investments (net)	-	(36.00)
Net cash generated / (used) in investing activities	(2,114.93)	(3,681.63)

	As at 31st March, 2018	(Rs. In Lacs) As at 31st March, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings		
Repayment of long term borrowings	(338.95)	938.00
Increase/(decrease) in short term borrowings	(12,511.45)	(751.04)
Finance cost	(5,557.56)	(5,155.82)
Net cash from financing activities	(18,407.96)	(4,968.86)
Net changes in Cash and Bank balances	128.99	(320.85)
Net Increase / (-) Decrease in Cash and Bank balances		
Balance at the end of the year	1,687.83	1,558.84
Balance at the beginning of the year	1,558.84	1,879.69
Net changes in Cash and Bank balances	128.99	(320.85)

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows.

The accompanying notes form an integral part of the financial statements
This is the Cash Flow Statement referred to in our report of even date.

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

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN: 00060127)
Chairman and Managing Director

Rajesh Kothari
(DIN: 02168932)
Whole Time Director

B. Mukherjee
Partner
Membership No. 002941
Date: 30.05.2018
Place: Kolkata

Tanvi Panday
(Membership No. ACS 31176)
Company Secretary

Indar Chand Dakalia
Chief Financial Officer

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

(Rs. In Lacs)

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

	As at 31st March, 2018	As at 31st March, 2017
Balance at the year beginning	1,881.46	1,881.46
Changes in equity share capital during the year	-	-
Balance at the year end	<u>1,881.46</u>	<u>1,881.46</u>

B. OTHER EQUITY (Refer Note No. 17)**For the year ended 31st March, 2018**

Particulars	Reserve & Surplus					Other Com- prehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Foreign Cur- rency Mon- etary Item Translation Difference Account	General Reserve	Retained Earnings	Remeasure- ment of de- fined benefit plan	
Balance as at 1st April, 2017	852.96	5,322.45	-	3,400.00	15,947.02	(2.96)	25,519.47
Add : For the Year	-	-	-	-	2,197.24	(18.18)	2,179.06
Less: Ammortized during the year							-
Balance as at 31st March, 2018	<u>852.96</u>	<u>5,322.45</u>	<u>-</u>	<u>3,400.00</u>	<u>18,144.26</u>	<u>(21.15)</u>	<u>27,698.53</u>

For the year ended 31st March, 2017

Particulars	Reserve & Surplus					Other Com- prehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Foreign Cur- rency Mon- etary Item Translation Difference Account	General Reserve	Retained Earnings	Remeasure- ment of de- fined benefit plan	
Balance as at 1st April, 2016	852.96	5,322.45	(262.21)	3,400.00	13,319.19	-	22,632.39
Add: For the Year	-	-	-	-	2,627.83	(2.96)	2,624.87
Less: Ammortized During the year	-	-	262.21	-	-	-	262.21
Balance as at 31st March, 2017	<u>852.96</u>	<u>5,322.45</u>	<u>-</u>	<u>3,400.00</u>	<u>15,947.02</u>	<u>(2.96)</u>	<u>25,519.47</u>

The accompanying notes form an integral part of the financial statements
This is Statements of Equity referred to in our report of even date.

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No.: 302096E

B. Mukherjee

Partner

Membership No. 002941

Date: 30.05.2018

Place: Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna**(DIN: 00060127)**

Chairman and Managing Director

Rajesh Kothari**(DIN: 02168932)**

Whole Time Director

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

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

Notes to the financial statements for the year ended 31st March, 2018**1. COMPANY INFORMATION**

Kkalpana Industries (India) Limited (the Company) was incorporated in India on 03rd of September 1995. The Company is domiciled in India whose shares are listed on the Bombay Stock Exchange (BSE). The registered office is located at 2B Pretoria Street, Kolkata. The Company is engaged in the manufacturing of Plastic Compounds. Plastic Processors and Exporters Pvt Limited is a subsidiary of the Company.

The financial statements of the Company for the year ended 31st March, 2018 were authorised for issue in accordance with a resolution of the Board of Directors as on 30.05.2018

2 Basis of Preparation of Financial Statements**2.1 Statement of Compliance**

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

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

Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Note no. 52 of the financial statements.

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

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

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

2.2 Basis of Measurement

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

- (i) Derivative financial instruments
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- (iii) Defined benefits plans - Plan assets measured at fair value

2.3 FIRST TIME ADOPTION OF IND AS

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

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

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

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

[A] Exemptions from requirement of Other IND AS

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

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

[A-2] Business Combination

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

[A-3] Lease

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

[A-4] Long Term Foreign Currency Monetary Items

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

[A-5] Investments in subsidiaries and Associates

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

[B] Mandatory Exceptions from retrospective application

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

[B-1] Estimates

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

These are as under:

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

[B-2] Classification and measurement of Financial Assets

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

[C] Transition to Ind AS – Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 :

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

[C-1] Reconciliation of Equity as at 1st April, 2016 - Refer Note no 52 (A)

[C-2] Reconciliation of equity as at 31st March, 2017 - Refer Note no. 52 (B)

[C-3] Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017 – Refer Note no. 52 (C)

[C-4] Adjustments to statement of Cash Flows for the year ended 31st March, 2017 – Refer Note no. 52 (E)
Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

3 SIGNIFICANT ACCOUNTING POLICIES**3.1 Revenue Recognition**

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

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

Sale of Goods

Revenue from the sale of goods is recognised when all significant risks and rewards of ownership of the goods are transferred to the buyer, as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from Sale of Scrap is recognised as and when scrap is sold.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It excludes sales tax, Value added tax (VAT), Goods and Service Tax, Trade Discounts, Volume Rebates and Returns but includes excise duty.

Interest Income

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

Dividend Income

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

Other Claims / Receipts

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

Commission Income

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

Notes to the financial statements for the year ended 31st March, 2018**3.2 Property, Plant and Equipment**

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

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

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

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

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

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

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

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

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

Depreciation and Ammortization:-

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

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

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

3.3 Intangible Assets :

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

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

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

Intangible assets are amortised as follows:

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

Notes to the financial statements for the year ended 31st March, 2018**3.4 Non Current Assets held for Sale**

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

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

3.5 Investment Property

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

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

3.6 Lease

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

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

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

Impairment of non-financial assets

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

Recoverable amount is determined:-

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

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

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

3.7 Financial Instruments

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

a) Financial Assets**Initial Recognition and measurement of Financial Assets**

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

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

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

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

Subsequent measurement

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

- (a) Financial assets at amortised cost
- (b) Financial assets at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets at fair value through profit or loss (FVTPL)
- (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortised cost

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Write Off

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

Investment in joint ventures and subsidiaries:

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

Impairment of financial assets

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

(a) Financial assets measured at amortised cost

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

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

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

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

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

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

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

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

b Financial liabilities

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

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

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

Subsequent measurement

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

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

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

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

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

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

(b) Loans and borrowings

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

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

(c) Financial Guarantee Contracts

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

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting

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

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

3.8 Cash and cash equivalents

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

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

Notes to the financial statements for the year ended 31st March, 2018**3.9 Foreign currency Transactions**

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

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

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

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

In accordance with Ind AS 101, exchange differences arising on long-term foreign currency monetary items before 31st March 2017 and which are directly related to acquisition of property, plant and equipments (other than land) are continued to be capitalised and depreciated over the remaining useful life of such asset. Exchange rate differences arising on other long term foreign currency monetary items which are not directly related to property, plant and equipment are continued to be accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the remaining life of concerned monetary item.

3.10 Fair Value Measurement:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.11 Inventories

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

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

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

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

3.12 Employee Benefits

Short Term Employee Benefits

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

Post Employment Benefits

Defined Contribution Plan

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

Defined benefit plans:

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

Defined benefit costs are comprised of:

- a) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b) Net interest expense or income; and
- c) Re-measurement.

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

3.13 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which it is incurred. Borrowing costs include interest expense calculated using the effective interest rate method as described in Ind AS 109- Financial Instruments, finance charges in respect of finance leases are recognised in accordance with Ind AS 17- Leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

3.14 Income Taxes

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

Current Tax

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

Deferred Tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

- (i) entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

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

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

3.15 Provisions, Contingent Liabilities and Contingent Assets**General**

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

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

Contingent Liabilities and Assets

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

3.16 Earnings per Share

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

3.17 Current and Non-current Classification

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

An asset is current when:

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

All other assets are classified as non-current.

A liability is current when:

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

Or

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

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

All other liabilities are classified as non-current.

3.18 Business Combination

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

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

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

Notes to the financial statements for the year ended 31st March, 2018**Schedule for the year ended 31st March 2018****04. Property Plant and Equipment**

(Rs. In Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2017	Addition during the year	Sales/ Disposals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/ Disposals	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
TANGIBLE ASSETS:										
Free hold land	1,591.40	16.90	-	1,608.30	-	-	-	-	1,608.30	1,591.40
Factory Building	6,722.19	94.70	15.31	6,801.58	249.35	254.51	3.96	499.90	6,301.68	6,472.84
Plant & Machinery	11,706.47	3,500.46	106.55	15,100.39	734.76	1,093.18	16.41	1,811.53	13,288.85	10,971.71
Furniture & Fixture	232.43	9.18	-	241.61	19.45	25.89	-	45.35	196.27	212.98
Motor Car	223.25	38.61	34.15	227.71	45.33	47.41	19.81	72.93	154.78	177.91
Scooter, Moped & Cycle	1.01	-	-	1.01	0.17	0.17	-	0.34	0.68	0.84
Laboratory Equipment	601.33	102.17	-	703.51	56.07	79.00	-	135.07	568.44	545.26
Electrical Installation	1,214.22	54.36	-	1,268.58	185.47	197.09	-	382.56	886.02	1,028.74
Office Equipment	43.81	10.71	-	54.51	8.49	10.55	-	19.03	35.48	35.32
Air Conditioner	60.45	6.81	-	67.25	3.64	5.24	-	8.87	58.38	56.81
Computer	24.36	12.33	-	36.68	6.79	7.56	-	14.36	22.33	17.56
Total	22,420.92	3,846.24	156.01	26,111.14	1,309.53	1,720.60	40.18	2,989.95	23,121.20	21,111.39

05. Capital Work In Progress

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2017	Addition during the year	Adjust- ments	As at 31-03-2018	As at 01-04-2017	For the Period	Adjust- ments	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Capital Work-in- Progress	1,401.00	418.75	1,409.61	410.14	-	-	-	-	410.14	1,401.00
Total	1,401.00	418.75	1,409.61	410.14	-	-	-	-	410.14	1,401.00

06. Investment Property

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2017	Addition during the year	Sales/ Disposals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/ Disposals	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Free Hold Land	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68
Total	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68

07. Other Intangible Assets

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2017	Addition during the year	Sales/ Disposals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/ Disposals	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Technical Knowhow	0.20	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	24.91	6.65	-	31.56	4.42	5.05	-	9.48	22.08	20.49
Total	25.12	6.65	-	31.77	4.42	5.05	-	9.48	22.29	20.69

Schedules for the year ended 31st March 2017**04. Property Plant and Equipment**

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2016	Addition during the year	Sales/ Disposals	As at 31-03-2017	As at 01-04-2016	For the year	Sales/ Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
TANGIBLE ASSETS:										
Free hold land	1,590.94	0.46	-	1,591.40	-	-	-	-	1,591.40	1,590.94
Factory Building	6,552.30	223.92	54.03	6,722.19	-	249.35	-	249.35	6,472.84	6,552.30
Plant & Machinery	9,201.23	2,523.15	17.91	11,706.47	-	734.76	-	734.76	10,971.71	9,201.23
Furniture & Fixture	99.79	132.65	-	232.43	-	19.45	-	19.45	212.98	99.79
Motor Car	217.12	17.70	11.57	223.25	-	45.33	-	45.33	177.91	217.12
Scooter, Moped & Cycle	1.01	-	-	1.01	-	0.17	-	0.17	0.84	1.01
Laboratory Equipment	396.44	204.89	-	601.33	-	56.07	-	56.07	545.26	396.44
Electrical Installation	1,174.73	39.48	-	1,214.22	-	185.47	-	185.47	1,028.74	1,174.73
Office Equipment	29.24	14.57	-	43.81	-	8.49	-	8.49	35.32	29.24
Air Conditioner	23.67	36.78	-	60.45	-	3.64	-	3.64	56.81	23.67
Computer	9.37	14.98	-	24.36	-	6.79	-	6.79	17.56	9.37
Total	19,295.85	3,208.58	83.50	22,420.92	-	1,309.53	-	1,309.53	21,111.39	19,295.85

Notes to the financial statements for the year ended 31st March, 2018**05. Capital Work In Progress**

(Rs. In Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2016	Addition during the year	Capitalized during the year	As at 31-03-2017	As at 01-04-2016	For the Period	Sales/ Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Capital Work-in-Progress	373.31	3,623.16	2,595.46	1,401.00	-	-	-	-	1,401.00	373.31
Total	373.31	3,623.16	2,595.46	1,401.00	-	-	-	-	1,401.00	373.31

06. Investment Property

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2016	Addition during the year	Sales/ Disposals	As at 31-03-2017	As at 01-04-2016	For the Period	Sales/ Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Free Hold Land	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68
Total	1,281.68	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68

07. Other Intangible Assets

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2016	Addition during the year	Sales/ Disposals	As at 31-03-2017	As at 01-04-2016	For the Period	Sales/ Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Technical Knowhow	0.20	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	24.81	0.11	-	24.91	-	4.42	-	4.42	20.49	24.81
Total	25.01	0.11	-	25.12	-	4.42	-	4.42	20.69	25.01

Other Notes to Note No 04 to 07**A Disclosures for Property, Plant & Equipment (PPE), Capital Work-in-Progress (CWIP) and Intangible Assets**

- A1. Refer Note No 47 for information on Property, Plant and Equipment and Intangible Assets pledged as security by the Company.
- A2. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for the year ended 31st March, 2018 is Rs. 70.65 lacs (31st March, 2017: Rs.49.94 Lacs and 1st April, 2016: Rs. 140.28 Lacs).
- A3. There has been no impairment loss on above assets during the year.
- A4. The Company has elected optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value.
- A5. Borrowing costs capitalised for the year ended 31st March , 2018 is Rs. Nil (31st March , 2017 Rs. Nil And 31st March, 2016 Rs. 92.58 lacs).

B Disclosures for Investment Property

- B1. The Company has identified and reclassified Land at West Bengal amounting Rs 1281.67 Lacs. Immovable Properties as Investment Properties on the date of transition i.e. 1st April, 2016 on the basis of currently undermined future use.
- B2. No amount of Income / Expenses has been recognised in Profit and Loss in relation to the above Investment Property.
- B3. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- B4. The Company has elected optional exemption under Ind AS 101 to measure Investment Property at previous GAAP carrying value.
- B5. Since the Land at West Bengal are partial agricultural in nature, the management has not determined the Fair Market Value of these properties from the accredited independent valuer and hence the disclosure requirement of fair value has not been furnished.

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

(Rs. In Lacs)

8 FINANCIAL ASSETS:- NON-CURRENT INVESTMENTS**Equity Instruments - Fully paid up**Unquoted

	Face Value Rs.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Subsidiary-At Cost							
(i) Plastic Processors and Exporters Pvt Ltd.	10	45,000	45,000	-	36.00	36.00	-
(b) Others-At Fair Value Through Profit and Loss							
(i) Sterling Resorts Ltd.		-	-	-	-	-	-
(ii) Panchawati Holiday Resorts Ltd.	10	9,400	9,400	9,400	-	-	-
(iii) Kkalpana Plastics Middeast FZE		-	-	-	-	-	-

Quoted

(a) Associate-At Cost							
(i) Kkalpana Plastick Limited	10	2,002,920	2,002,920	2,002,920	200.29	200.29	200.29
(b) Others-At Fair Value Through Profit and Loss							
(i) Dena Bank	10	14	14	14	-	0.01	0.00
(ii) Nicco Corporation Ltd.	2	826,194	826,194	826,194	-	-	-

Investments in Government or trust securities #**(At Ammortised Cost)**

(a) 7 Year National Saving Certificate	-	-	-
(b) Indira Vikash Patra	-	-	-
(c) 5.5 Year Kissan Vikash Patra	-	-	-

Total Investments

236.29

Less: Provision for diminution in the value of Investments

236.30

Net Investments

200.29

Notes:

Aggregate amount of Quoted Investments and market value thereof

200.29

Aggregate amount of Unquoted Investments

36.00

Aggregate amount of Impairment in the value of Investments

-

Total Investment (net)

236.29

Represent Investment written off as on transition date i.e 1st April 2016

0.40

9. FINANCIAL ASSETS - LOANS

(a) Unsecured, considered good

Loan to Related Party

Loans to Others

Total

Non Current			Current		
As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
-	-	-	741.39	73.53	-
-	-	-	-	-	32.28
-	-	-	741.39	73.53	32.28

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

10. FINANCIAL ASSETS - OTHERS**Unsecured, considered good**

(a) Security Deposit

(b) Investment in Term Deposits (with remaining maturity of more than 12 months)

(c) Derivative Instruments

Foreign Exchange Forward Contracts

Foreign Currency Options

(d) Others - Advances Recoverable from

Employees

Others

(e) Interest Accrued on Deposits

Total

Non Current			Current		
As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
90.38	27.95	24.40	98.50	97.32	110.30
163.82	668.52	897.99	-	-	-
-	-	-	-	-	-
-	-	-	64.74	-	-
-	-	-	22.12	-	-
-	-	-	-	-	-
-	-	-	82.00	126.63	64.37
-	-	-	47.65	32.70	970.88
-	-	-	31.17	12.07	34.23
254.20	696.47	922.39	346.18	268.72	1,179.78

11. OTHER NON CURRENT ASSETS**(a) Capital Advances**

(i) Unsecured - considered good

(b) Other Advances

(i) Unsecured, considered good

- Balance With Government Authorities

(c) Prepaid Rent**Total**

As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
323.76	151.44	339.43
-	0.25	0.25
23.42	1.81	3.15
347.18	153.50	342.83

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

12. INVENTORIES

(As taken valued and certified by the management)

At Cost or NRV whichever is lower

(a) Raw materials

- In Stock
- In Transit

(b) Finished goods

- In Stock

(c) Stores and spares- at Cost

- In Stock

Total

	(Rs. In Lacs)		
As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	
12,262.41	14,437.00	6,609.87	
112.01	-	3.36	
2,751.63	2,671.99	3,169.07	
417.85	247.33	225.58	
15,543.90	17,356.32	10,007.88	

- During the year ended 31st March, 2018 and year ended 31st March, 2017 no amount was recognised as an expense for the inventories carried at net realisable value.
- Refer Note No :- 48 for details of Carrying amount of Inventories pledged with banks against Working Capital loans.
- Stores and Spares does not include machinery spares which can be used only in connection with an item of Fixed Assets.

13. TRADE RECEIVABLES**(a) Unsecured, considered good**

- (i) Others
- (ii) Related Parties

Less: Allowance for bad and doubtful debts

Total (net of provision)

As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	
33,587.22	34,970.70	37,382.77	
144.90	-	-	
33,732.12	34,970.70	37,382.77	
619.07	995.35	1,098.37	
33,113.05	33,975.35	36,284.40	

- There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other persons or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
- The Company has done the Impairment Assesement for Trade Receivables based on expected credit loss model considering the credit risk as significantly low. The Company has used a simplified approach based on a 12 months ECL. A provision matrix has been prepared based on historical credit loss experience adjusted as appropriate to reflect the current conditions and supportable forecast of future economic conditons. The Company has used the adjustment rate of 5% for worsening of future economic conditons.

14. CASH & CASH EQUIVALENTS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Balance with banks:			
(i) In Current Accounts	340.48	477.18	541.26
(ii) In EEFC Account	25.03	81.38	250.74
(ii) In Deposit with Original Maturity of less than 3 months	58.00	-	-
(b) Cash in hand (As certified by the management)	25.65	37.11	112.20
(c) Other Bank Balance			
(i) Unpaid Dividend account	24.58	33.82	41.92
(ii) Deposits with more than 3 months initial maturity	1,214.09	929.35	933.58
Total	1,687.83	1,558.84	1,879.70

15. OTHER CURRENT ASSETS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Other Advances			
(i) Unsecured, considered good			
- Balances with government departments	6,298.71	3,884.33	4,741.65
(b) Prepaid Expenses	198.76	186.51	190.70
(c) Prepaid Rent	0.05	0.84	0.05
Total Other Current Assets	6,497.52	4,071.68	4,932.40
Less: Total Provision for Doubtful Advances/ Debts	-	-	-
Total (net of provision)	6,497.52	4,071.68	4,932.40

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

16. EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity)**Authorised Shares**

153,000,000 (Previous Year: 153,000,000) Shares of Rs. 2 each

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	3,060.00	3,060.00	3,060.00
	3,060.00	3,060.00	3,060.00

Issued, Subscribed and Paid Up

940,72,930 (Previous Year: 940,72,930) Equity Shares of Rs.2 each

	1,881.46	1,881.46	1,881.46
	1,881.46	1,881.46	1,881.46

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

(Rs. In Lacs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Amount (Rs. In Lacs)	No. of Shares	Amount (Rs. In Lacs)	No. of Shares	Amount (Rs. In Lacs)
Equity Shares outstanding at the beginning of the year	94,072,930.00	1,881.46	94,072,930.00	1,881.46	94,072,930.00	1,881.46
Equity Shares issued during the year	-	-	-	-	-	-
Equity Shares bought back during the year	-	-	-	-	-	-
Equity Shares outstanding at the end of the year	94,072,930.00	1,881.46	94,072,930.00	1,881.46	94,072,930.00	1,881.46

(b) Terms/ Rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of Rs. 2 per share. Each equity shareholder is entitled to one vote per share.

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

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

(Rs. In Lacs)

Sl. No.	Name of the Shareholders	As at 31st March 2018		As at 31st March, 2017		As at 1st April, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Sri Ram Financial Consultants Pvt Ltd	44,785,170	47.61	44,785,170	47.61	44,785,170	47.61
2	Shyam Baba Trexim Pvt Ltd	15,551,680	16.53	15,551,680	16.53	15,551,680	16.53
3	Subh Labh Vintrade Pvt Ltd.	-	-	-	-	7,750,000	8.24
4	Almond Polytraders Pvt. Ltd.	7,750,000	8.24	7,750,000	8.24	-	-
5	Inbara holdings Pvt Ltd.	7,250,000	7.71	7,250,000	7.71	7,250,000	7.71%

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

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

(a) Security Premium Reserve

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

(Rs. In Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	5,322.45	5,322.45	5,322.45
Add: During the year	-	-	-
	5,322.45	5,322.45	5,322.45

	(Rs. In Lacs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(b) Capital Reserve and Amalgamation Reserve			
As per Last Financial Statement	852.96	852.96	852.96
Add: During the year	-	-	-
	852.96	852.96	852.96
(c) Foreign Currency Monetary Item Translation Difference Account			
Exchange rate differences arising on long term foreign currency monetary items which are not directly related to property , plant and equipment are accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the remaining life of concerned monetary item.			
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	-	(262.21)	(266.08)
Exchange Gain/(loss) during the year		-	(111.03)
Ammortization during the year	-	262.21	114.90
	-	-	(262.21)
(d) General Reserve			
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	3,400.00	3,400.00	3,400.00
Add: During the year	-	-	-
	3,400.00	3,400.00	3,400.00
(e) Retained Earnings			
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	15,947.02	13,319.19	12,179.85
Add: During the year	2,197.24	2,627.83	1,139.34
	18,144.26	15,947.02	13,319.19
(f) Other Comprehensive Income			
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	(2.96)	-	-
Add: During the year	(18.18)	(2.96)	-
	(21.15)	(2.96)	-
Total Reserves (a+b+c+d+e+f)	27,698.53	25,519.47	22,632.39

(Rs. In Lacs)

Secured

I From Banks

(i) Rupee Loan	4,626.23	4,964.58	2,962.72	1,501.58	848.28	210.00
(ii) Foreign Currency Loan	-	-	1,030.93	-	1,022.08	2,790.15
	4,426.23	4,964.58	3,993.65	1,501.58	1,870.36	3,000.15

II From Others

(i) From Banks - Veichle Loan	82.00	82.55	114.59	-	-	-
Total (Net) (a)	4,708.23	5,047.13	4,108.24	1,501.58	1,870.36	3,000.15

(b) Long term loan

Related Party	1,780.27	1,603.82	1,445.70	-	-	-
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Total (Net) (b)	1,780.27	1,603.82	1,445.70	-	-	-
Grand Total (Net) (a+b)	6,488.50	6,650.95	5,553.94	1,501.58	1,870.36	3,000.15

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Details of terms of repayment of long term borrowings

Long term borrowings	Terms of Repayment	Maturity Date	Interest Rate	Loan Taken Date
<u>Secured</u>				
a) Term Loans				
I From Banks				
(i) Rupee Loan-IDFC	1 Year moratorium from the date of 1st disbursement & thereafter payable in 20 equal quarterly installments.	13th Feb 2021	10.35%	01st April 2017
(ii) Rupee Loan-HDFC	Repayable in 15 equal quarterly installments starting from 30th June 2017.	30th March 2022	9.85%	24th March 2017
(iii) Rupee Loan-SBI	Will start after completing moratorium period of 2 years. 24 quarterly installment starting from 31st December 2016 in a structured way .	30th Sep 2022	12.50%	31st Dec 2014
(iv) Rupee Loan-HDFC	Repayable in 20 equal quarterly installments after 12 months of moratorium from the date of first disbursement. Repayments to start from 31st March 2018 till 31st December 2022.	31st Dec 2022	9.90%	06th Jan 2017
(v) Foreign Currency Loan-SCB	Principal & Interest to be paid in 16 installment. Each installment having USD 593750 towards repayment of Principal	18th May 2017	8.80%	18th May 2012
(vi) Foreign Currency Loan-DBS	Door to Door maturity of 5 years with repayment in 16 equal quarterly installments with 1st repayment starting from the end of 15th month from the date of 1st drawdown.	26th July 2017	Libor+2.35%	27th July 2012
II From Others				
(i) Vehicle Loan-	60 equal monthly instalment			

Unsecured**(b) Long term loan****RELATED PARTY**

Shyambaba Trexim Pvt Ltd.	Repayable on	4.00%
Sri Ram Financial Consultant Pvt Ltd.	Demand after	
Inbara Holdings Pvt Ltd.	30th March	
Krishna Commodeals Pvt Ltd.	2022	

Details of terms of security for long term borrowings

- a) ECB Loan from Standard Chartered are secured by exclusive charge by way of equitable mortgage over all present and future immovable properties located at Bhasa Unit.
- b) ECB Loan from Standard Chartered , DCB and Rupee Loan from SBI are secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Surangi Unit and all present and future movable properties located at Daman Unit.
- c) Rupee Term Loan from HDFC and IDFC are secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Silvasa, Surangi, Daman and Bhasa Units.
- d) Veichle Loan are secured by hypothecation against Motor Car.

(Rs. In Lacs)

19. LONG TERM PROVISIONS**(a) Employee benefits**

(i) Gratutiy (Refer Note No. 41(b))

Total

As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
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93.98	54.41	42.41
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93.98	54.41	42.41
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As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
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20. DEFERRED TAX LIABILITIES (NET)**(a) Liabilities :**

Depreciation and amortization expenses

Items under financial assets and financial liabilities giving temporary differences

Total (a)

2,846.93	,352.78	2,073.36
387.89	457.70	499.16
3,234.82	2,810.48	2,572.52

(b) Assets :

Items under financial assets and financial liabilities giving temporary differences

Provision for doubtful debts & obsolescence

Total (b)

18.57	18.34	20.86
214.24	344.48	380.12
232.81	362.82	400.98

Net Liability (a-b)

3,002.01	2,447.66	2,171.54
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	(Rs. In Lacs)	
	As at 31st March, 2018	As at 31st March, 2017
Reconciliation of deferred tax assets/ liabilities (net):		
Opening balance as at year beginning	2,447.66	2,171.55
Tax (benefit) / expense during the period recognised in profit or loss	563.97	277.68
Tax impact on items of Other Comprehensive income that will not be classified to profit & loss	(9.62)	(1.57)
Closing balance as at year end	3,002.01	2,447.66

21. SHORT TERM BORROWINGS**Secured**

(a) Loans repayable on demand

Cash credits from bank *

12,090.36 19,019.43 17,735.34

(b) Other Loans and advances

Buyer's credit from bank *

2,350.74 7,564.33 8,469.66

Total

14,441.10 26,583.76 26,205.00

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

* Working capital facilities (fund based & non fund based limits) are secured by:-

1. 1st pari passu charge by way of hypothecation over entire current assets, stock and book debts of the Company both present & future.

2. 1st pari passu charge by way of equitable mortgage over property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai - 400066.

3. 2nd pari passu charge by way of equitable mortgage over all fixed assets both present & future except immovable assets of Daman, Dankuni & Falta.

22. TRADE PAYABLES

(a) Micro & Small Enterprises

(b) Others

Acceptances secured *

Sundry Creditors for goods

Sundry Creditors for expenses

Total

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Micro & Small Enterprises	-	-	-
(b) Others			
Acceptances secured *	22,781.90	11,905.83	10,299.50
Sundry Creditors for goods	2,809.76	1,862.54	2,425.63
Sundry Creditors for expenses	1,099.31	959.39	669.02
Total	26,690.97	14,727.76	13,394.15

* Secured by way of hypothecation of stocks and book debts in favor of the Company's banker.

The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Act 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act has not been given.

KKALPANA INDUSTRIES (INDIA) LIMITED

		(Rs. In Lacs)	
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
23. <u>CURRENT FINANCIAL LIABILITIES-OTHER</u>			
(a) Current maturities of long-term debts (Refer Note No. 18)	1,501.58	1,870.36	3,000.15
(b) Interest payable on Unsecured Loan	253.06	219.21	135.65
(c) Unpaid dividends #	24.59	33.83	41.92
(d) Others			
(i) On capital account	172.30	284.73	290.85
(ii) Other Liability	576.97	748.89	657.78
Total	2,528.50	3,157.02	4,126.35
# There is no amount due & outstanding to be credited to the Investor Education & Protection Fund.			
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
24. <u>OTHER CURRENT LIABILITIES</u>			
(a) Advance payments from customers	0.90	0.90	-
(b) Other payables			
(i) Statutory dues	73.86	308.67	180.28
Total	74.76	309.57	180.28
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
25. <u>SHORT TERM PROVISIONS</u>			
(a) Employee benefits			
(i) Leave encashment (unfunded)	88.96	167.97	146.84
Total	88.96	167.97	146.84
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
26. <u>CURRENT TAX LIABILITIES</u>			
Income Tax (Net of Payments)	614.08	705.44	423.44
Total	614.08	705.44	423.44

	(Rs. In Lacs)	
27. REVENUE FROM OPERATIONS	2017-18	2016-17
(a) Sale of Products		
(i) PE Compound	88,479.17	104,130.02
(ii) PVC Compound	43,388.18	60,491.60
(iii) Others	44,395.04	48,142.95
(b) Sale of Services		
(i) Commission Received -Refer Note below:-	538.63	943.76
Commission relates to sale of Products in which the Company Acts as an agent in the transaction rather than as a Principal. In assessing the Companies role to be that of an agent rather than as a principal, the management considered the following factors:-		
a - The Company does not take title to the goods and has no responsibility in respect of goods sold.		
b- The Company cannot vary the selling prices set by the supplier.		
c- Credit risk is born by the supplier.		
Total	176,801.02	213,708.33
28. OTHER INCOME	2017-18	2016-17
(a) Interest income	137.50	163.54
(b) Profit on Sale of Assets	-	114.24
(c) Exchange difference other than considered as finance cost (net)	400.67	694.86
(d) Export Incentive	19.63	84.00
(e) Unwinding of Interest on security deposit	4.62	1.46
(f) Fair Value gain or (losses) on derivatives	86.86	-
(g) Insurance Claim Received	97.37	11.21
(h) Other Miscellaneous Income	46.02	11.97
Total	792.67	1,081.28
29. COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	14,437.00	6,609.87
Add: Purchases during the year	146,813.96	180,382.28
Less: Raw Material at the end of the Year	12,374.41	14,437.00
Total Cost of Material Consumed	148,876.55	172,555.15
<u>Details of Raw Material Consumed</u>		
LLDPE/ LDPE	68,649.61	78,262.24
PVC Resin	27,466.90	35,417.64
Plastic Scrap	5,625.15	36.26
Other items	47,134.89	58,839.01
Total	148,876.55	172,555.15

(Rs. In Lacs)

30. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE	2017-18	2016-17
(a) Stocks at the beginning of the year		
Finished goods	2,671.99	3,169.08
(b) Less: Stocks at the end of the year		
Finished goods	2,751.63	2,671.99
Total	(79.64)	497.09
31. EMPLOYEE BENEFITS EXPENSE		
(a) Salaries, Wages, Bonus and Gratuity	2,328.47	2,062.72
(b) Contribution to Provident and other funds	99.67	70.95
(c) Workmen and staff welfare expenses	96.72	78.16
Total	2,524.86	2,211.83
32. FINANCE COSTS	2017-18	2016-17
(a) Interest expense		
(i) To Banks	4,088.79	3,452.69
(ii) To Others	371.83	361.92
(b) Other borrowing costs	1,130.79	1,424.77
(c) Unwinding of Interest	176.51	159.02
Total	5,767.92	5,398.40
33. OTHER EXPENSES	2017-18	2016-17
(a) Consumption of Stores and Spare Parts.	113.55	136.84
(b) Power & Fuel	2,234.44	1,892.11
(c) Clearing and Forwarding charges	1,547.39	1,114.55
(d) Rent	593.16	300.72
(e) Repair & Maintenance - Building	63.42	85.75
(f) Repair & Maintenance - Machinery	327.44	412.18
(g) Repair & Maintenance - Others	158.43	157.50
(h) Insurance Charges	171.48	123.22
(i) Rates & Taxes	44.81	31.96
(j) Carriage and freight	815.56	1,273.78
(k) Payments to Auditors (Refer Note (i) below)	6.00	3.75
(l) Directors' Fees	3.20	3.90
(m) Bad debts / Advances Written off	27.57	539.31
(n) Loss on sale of fixed assets	10.94	-
(o) Selling & Distribution Expenses	4,458.20	3,140.01
(p) Net (gain)/loss on Fair value of Financial Assets through Profit & Loss	0.01	(0.00)
(r) Provision for doubtful debts	(376.31)	(103.01)
(s) Miscellaneous expenses	1,353.79	1,268.72
Total	11,553.08	10,381.29
Refer Note :- 1		
Auditors' remuneration and expenses		
Audit fees	3.10	3.10
Tax audit fees	0.65	0.65
Fees for other services	2.25	-
	6.00	3.75

	(Rs. In Lacs)	
34. <u>Income Tax</u>	2017-18	2016-17
I Income tax related to items charged or credited directly to profit or loss during the year:		
(a) Statement of profit and loss		
(i) Current Income Tax	688.62	826.41
(iii) Deferred Tax expense/ (benefit)	563.97	277.69
	1,252.59	1,104.09
(b) Other Comprehensive Income		
(i) Deferred Tax related to items recognised in OCI during the year:		
- Net expense/(benefit) on remeasurements of defined benefit plans	(9.62)	(1.57)
Total (a+b)	1,242.97	1,102.52
II Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2018 and 31st March, 2017:		
Accounting profit before income tax as per Ind AS	3,449.83	3,731.92
At Income tax rate of 34.608% (31st March, 2017: 34.608%)	1,193.92	1,291.54
Tax effect of items that are not deductible for tax purpose	59.00	44.67
Tax effect of items that are deductible for tax purpose	-	(135.39)
Tax effect of items that are not taxable for tax purpose	-	-
Deferred Tax impact on transition date	-	(98.30)
Tax effect of deductions under Chapter VIA of Income Tax Act, 1961	(9.95)	-
At the effective income tax rate of 36.03% (31st March 2017: 29.54 %)	1,242.97	1,102.52
Income tax expense reported in the statement of profit and loss	1,242.97	1,102.52
35. <u>Other Comprehensive Income</u>	2017-18	2016-17
i Items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans		
Balance as at year beginning	(4.53)	(28.64)
Add: Created during the year	(23.27)	-
Less: Adjustments	-	24.10
Balance as at year end	(27.80)	(4.53)
ii Income tax relating to items that will not be classified to profit and loss		
- Remeasurement gain/ (losses) on defined benefit plans		
Balance as at year beginning	1.57	9.91
Add: Created during the year	8.05	-
Less: Adjustments	-	(8.34)
Balance as at year end	9.62	1.57
Total	(18.18)	(2.96)

36 OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Contingent liabilities & Commitments**

		(Rs. In Lacs)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A	Not Provided for:-			
(a)	Claims against the Company not acknowledged as debts - Demand raised by following authorities in dispute:			
	(i) Income tax matters	338.77	-	-
B	Bank Gurantee	658.44	898.63	612.54
C	Capital Commitments			
	Estimated Value of contracts in Capital account remaining to be executed and not provided for (Net of advances)	70.65	49.94	140.28
D	Other Commitments			
	Letter of Credit	23,185.05	21,849.97	10,561.38

37 Details of loans given, Investments made and Guarantee given covered u/s 186(4) of the Companies Act, 2013**A. Loan Given****Sl. No. Name of the entity**

		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
1	To Subsidiary Company	741.39	73.53	-
2	Others	-	-	32.28
		741.39	73.53	32.28

B. Investment Made

There are no investments by the company other than those stated under Note No. 8 in the financial statements.

C. Securities Given

There is no security given during the year.

38 Disclosure on Corporate Social Responsibility Expenses

- (a) Gross amount required to be spent by the Company during the year in pursuance to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder : Rs. 72 Lacs (PY Rs. 66.61 Lacs).
- (b) Amount unspent as on 31st March 2017 is Rs.63.41 lacs.
- (c) Amount spent during the year 2017-18 and shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 33):

		(Rs. In Lacs)		
<u>Sl. No.</u>	<u>Particulars</u>	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(i)	Spent in Cash	135.50	125.00	-
(ii)	Yet to Spend	-	63.41	121.81
	Total	135.50	188.41	121.81

39 Disclosures as required by Ind AS 19, Employee Benefits**(a) Defined contribution plans:**

	(Rs. In Lacs)	
	2017-18	2016-17
Contribution to defined contribution plan, recognised as expense for the year as under:		
(i) Employer's contribution to Government Provident Fund, Pension Fund & ESI	99.67	70.95
Total	99.67	70.95

(b) Defined benefit plan:**Gratuity**

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

	(Rs. In Lacs)	
	Gratuity (Funded)	
	2017-18	2016-17
I Following information are based on report of actuary for employee benefit expenses		
(A) Change in present value of the obligation during the year		
(1) Present value of obligation at year beginning	172.44	139.16
(2) Current service cost	24.75	24.43
(3) Interest cost	12.73	11.69
(4) Benefits paid	(16.40)	(6.31)
(5) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
(6) Actuarial (gain) / loss arising from changes in financial assumptions	(4.48)	9.23
(7) Actuarial (gain) / loss arising from changes in experience adjustments	30.81	(5.76)
(8) Present value of obligation at year end	219.85	172.44
(B) Change in fair value of plan assets during the year		
(1) Fair value of plan assets at year beginning	118.04	96.75
(2) Interest income on plan assets	9.15	8.05
(3) Expected return on plan assets other than interest income	(1.48)	(1.07)
(4) Contribution made by the Employer	16.56	20.60
(5) Benefits paid	(16.40)	(6.31)
(6) Fair value of plan assets at year end	125.87	118.04
(C) Reconciliation of obligation and fair value of assets		
(1) Present value of the obligation at year end	219.85	172.44
(2) Fair value of plan assets at year end	125.87	118.04
(3) Funded status [surplus / (deficit)]	(93.98)	(54.41)
(D) Expense recognised in the Statement of Profit and Loss		
(1) Current service cost	24.75	24.43
(2) Interest cost	12.73	11.69
(3) Interest income on plan assets	(9.15)	(8.05)
Net cost recognised in Profit or Loss	28.33	28.07
(E) Recognised in Other Comprehensive Income		
(1) Expected return on plan assets other than interest income	1.48	1.07
(2) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
(3) Actuarial (gain) / loss arising from changes in financial assumptions	(4.48)	9.23
(4) Actuarial (gain) / loss arising from changes in experience adjustments	30.81	(5.76)
Net (gain)/ loss recognised in Other Comprehensive Income	27.81	4.53
(F) Net Defined benefit liability/(Asset) Reconciliation		
(1) Net Defined benefit liability/(Asset) at the beginning of the year	54.41	42.41
(2) Defined benefit cost included in P/L	28.33	28.07
(3) Total remeasurement included in OCI	27.81	4.53
(4) Employers contribution	(16.56)	(20.60)
Net Defined benefit liability/(Asset) at the end of the year	93.98	54.41

II Maturity profile of defined benefit obligations:

	2017-18	2016-17
Year 1	15.55	13.62
Year 2	72.57	-
Year 3	120.18	2.11
Year 4	64.41	14.27
Year 5	24.76	3.25
Year 6	82.98	3.11
Year 7	117.62	12.09
Year 8	85.74	2.51
Year 9	34.12	3.74
Year 10	43.53	117.74
Total expected payments	661.46	172.44

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.52 Years (31st March,2017: 8.28 years).

The best estimate contribution for the company during the next year would be Rs 55.61 lacs. (31st March,2017: Rs. 50.09 lacs).

Amount payable upon discontinuance of all employment is INR 263.82 lacs.

(31st March,2017: Rs. 206.90 lacs).

III Experience Adjustments on Present Value of DBO and Plan Assets

	2017-18	2016-17
(Gain)/Loss on Plan Liabilities	30.81	(5.76)
% of Opening Plan Liabilities	17.87%	-4.14%
(Gain)/Loss on Plan Assets	1.48	1.07
% of Opening Plan Assets	1.25%	1.11%

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

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

	2017-18	2016-17
Defined Benefit Obligation (Base)	219.85	172.44
(1) One percentage increase in discount rate	203.04	154.66
(2) One percentage decrease in discount rate	239.31	193.19
(3) One percentage increase in rate of salary escalation	238.79	192.00
(4) One percentage decrease in rate of salary escalation	203.06	154.97
(5) One percentage increase in rate of withdrawal rate	222.09	174.34

Gratuity (Funded)	
2017-18	2016-17

V Actuarial Assumptions

(1) Discount rate	7.75%	7.50%
(2) Mortality Rate	IALM (2006-08) Table	
(3) Salary Escalation - First 5 years	6% p.a	6% p.a
(4) Salary Escalation - After 5 years	6% p.a	6% p.a
(5) Expected Rate of Return on Plan Assets	7.75%	7.50%
(6) Disability Rate	5% of	5% of
(7) Retirement Age	Mortality Rate 60 years	Mortality Rate 60 years
(8) Average Future Service	21.97	23.03
(9) Withdrawal rates , based on age: (per annum)		
Up to 25 years	8.00%	8.00%
26 - 30 years	7.00%	7.00%
31 - 35 years	6.00%	6.00%
36 - 40 years	5.00%	5.00%
41 - 45 years	4.00%	4.00%
46 - 50 years	3.00%	3.00%
51 - 55 years	2.00%	2.00%
Above 56 years	1.00%	1.00%

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

(1) Equities	-	-
(2) Bonds	-	-
(3) Gilts	-	-
(4) Insurance Policies	100%	100%
Total	100%	100%

40 Disclosures as required by Ind AS 108, Operating Segments**(a) Identification of Operating Segments:**

The Company Operate in a Single Reportable Operating Segment i.e. manufacturing and sale of PVC , XLPE, AF and EP Compound which have similar risk and returns and are of similar nature.

No other operating segments have been aggregated to form the above reportable operating segments as per the criteria specified in the Ind AS.

(b) Business Segment wise revenue/results/assets/liabilities

Since there is Single Reportable Operating Segment hence disclosure of Operating Segment wise Assets, Liabilities, Revenue and Results are not applicable.

(c) Geographical Information

		(Rs. In Lacs)	
		As at 31st March 2018	As at 31st March 2017
(i) Segment revenue by location of Customers:			
India		144,391.82	177,617.99
Overseas		32,409.19	36,090.34
Total		176,801.02	213,708.33
(ii) Segment Assets by location (Property, Plant & Equipment, Investment Property & Other Intangible Assets)			
India			
East		6,805.65	4,791.68
West		17,579.37	17,575.69
Others		40.13	46.35
Overseas		-	-
Total		24,425.16	22,413.72

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

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

(f) Revenue from five customers is INR 19,471.97 (P.Y 23,386.18) lacs which is more than 10% of the total revenue of the Company

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

(i) Key Management Personnel of the Company:	Mr. Narrindra Suranna Mr. Rajesh Kothari Mr. P.R.Mukherjee Mr. I.C Dakalia Ms. Tanvi Panday
(ii) Relative of Key Management Personnel	Mrs. Tara Devi Surana Mrs. Sarla Devi Surana Mr. Surendra Kumar Surana Mr. Dev Krishna Surana
(iii) Shareholder Holding more than 20% of Equity Shares of the Company	Sri Ram Financial Consultants Pvt Ltd.
(iv) Subsidiary Company:	Plastic Processor and Exporters Pvt Ltd.
(v) Associate Company:	Kkalpana Plasticks Limited
(vi) Enterprises over which key management personnel are able to exercise significant influence with whom there were transactions during the year :	Bbigplas Poly Pvt. Ltd. Krishna Commodeals Pvt. Ltd. Inbara Holdings Pvt. Ltd. Shyambaba Trexim Pvt. Ltd.

(B) Disclosure of transactions with Related Parties

Nature of transactions	Ref. to Note (A) above	(Rs. In Lacs)	
<u>Remuneration to KMP</u>		<u>2017-18</u>	<u>2016-17</u>
Mr. Narrindra Suranna	(i)	42.00	33.60
Mr. Rajesh Kothari	(i)	40.00	25.00
Mr. P.R.Mukherjee	(i)	18.00	18.00
Mr. I.C Dakalia	(i)	20.90	14.30
Ms. Tanvi Panday *	(i)	5.50	-
Mr. A.B Chakraborty **		1.93	11.56
		128.33	102.46

* Effective date of joining 1st June 2017. This remuneration is proportionate CTC for period of her service.

** Former Company Secretary of Kkalpana Industries (India) Ltd. resigned w.e.f. 31st May, 2017.

Sale of goods

Plastic Processors Pvt Ltd.	(iv)	850.46	-
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Purchase of goods

Plastic Processors Pvt Ltd.	(iv)	702.16	-
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Interest expense

Sri Ram Financial Consultants Pvt Ltd.	(iii)	74.75	74.75
Shyambaba Trexim Pvt. Ltd.	(vi)	35.67	34.83
Krishna Commodeals Pvt. Ltd.	(vi)	4.89	4.89
Inbara Holdings Pvt. Ltd.	(vi)	4.03	4.03

Rent

Sri Ram Financial Consultants Pvt Ltd.	(iii)	76.56	2.00
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Nature of transactions	Ref. to Note (A) above	(Rs. In Lacs)	
		As at 31st March 2018	As at 31st March 2017
<u>Net Receivable at the year end</u>			
Plastic Processor and Exporters Pvt Ltd.	(iv)	144.90	-
<u>Loan taken & outstanding at year end</u>			
Sri Ram Financial Consultants Pvt Ltd.	(iii)	1,800.00	1,800.00
Shyambaba Trexim Pvt. Ltd.	(vi)	840.00	840.00
Krishna Commodeals Pvt. Ltd.	(vi)	115.00	115.00
Inbara Holdings Pvt. Ltd.	(vi)	95.00	95.00

The transactions with related parties are net of taxes & reimbursement of expenses and have been made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

42 Fair Value Measurement

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

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

- (1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables , other current liabilities, short-term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments.

- (2) Financial instruments with fixed and variable interest rate are evaluated by the Company based on parameter such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

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

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

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

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

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

(a) Disclosure for the year ended 31st March, 2018

(Rs. In Lacs)

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
(1) Financial Assets					
Financial Assets at amortised cost					
Trade Receivables	33,113.05	33,113.05			33,113.05
Loans	741.39	741.39			741.39
Other Financial assets excluding derivative financial instruments	513.53	513.53			513.53
Cash & cash equivalents	1,687.83	1,687.83			1,687.83
	36,055.80	36,055.80			36,055.80
Financial Assets at cost					
<u>Investments in equity shares</u>					
Kkalpana Plastiks Limited	200.29	200.29			
Plastic Processor and Exporters Pvt Ltd.	36.00	36.00			
	236.29	236.29			-
Financial Assets at fair value through profit or loss					
Derivative financial instruments	86.86	86.86		86.86	
	86.86	86.86		86.86	-
Assets for which fair values are disclosed					
Investment Property (Refer Note no. 6(b))		-			
Total	36,378.95	36,378.95		86.86	36,055.80
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from banks and financial institutions	22,431.18	22,431.18			22,431.18
Trade Payables	26,690.97	26,690.97			26,690.97
Other Financial liabilities excluding derivative financial instruments	1,026.92	1,026.92			1,026.92
Total	50,149.07	50,149.07			50,149.07

(b) Disclosure for the year ended 31st March, 2017

(Rs. In Lacs)

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
(1) Financial Assets at amortised cost					
Trade Receivables	33,975.34	33,975.34			33,975.34
Loans	73.53	73.53			73.53
Other Financial assets excluding derivative financial instruments	965.19	965.19			965.19
Cash & cash equivalents	1,558.84	1,558.84			1,558.84
	<u>36,572.90</u>	<u>36,572.90</u>			<u>36,572.90</u>
Financial Assets at cost					
Investments in equity shares					
Kkalpana Plastiks Limited	200.29	200.29			
Plastic Processor and Exporters Pvt Ltd.	36.00	36.00			
	<u>236.29</u>	<u>236.29</u>			
Financial Assets at fair value through profit or loss					
Derivative financial instruments	0.01	0.01	0.01		
Investment in Equity shares	0.01	0.01	0.01		
Total	<u>36,809.20</u>	<u>36,809.20</u>	-	0.01	- 36,572.91

(2) Financial Liability**Financial Liabilities at amortised cost**

Borrowings from banks and financial institutions	35,105.07	35,105.07			35,105.07
Trade Payables	14,727.76	14,727.76			14,727.76
Other Financial liabilities excluding derivative financial instruments	1,286.66	1,286.66			1,286.66
Total	<u>51,119.49</u>	<u>51,119.49</u>			<u>51,119.49</u>

(c) Disclosure for the year ended 1st April, 2016

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
(1) Financial Assets at amortised cost					
Trade Receivables	36,284.40	36,284.40			36,284.40
Loans	32.28	32.28			32.28
Other Financial assets excluding derivative financial instruments	2,102.17	2,102.17			2,102.17
Cash & cash equivalents	1,879.70	1,879.70			1,879.70
	<u>40,298.55</u>	<u>40,298.55</u>			<u>40,298.55</u>
(2) Financial Assets at cost					
Investments in equity shares					
Kkalpana Plastiks Limited	200.29	200.29			
	<u>200.29</u>	<u>200.29</u>			-
Financial Assets at fair value through profit or loss					
Derivative financial instruments	-	-			
Investment in Equity shares	-	-			
Total	<u>40,498.84</u>	<u>40,498.84</u>			<u>40,298.55</u>
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from banks and financial institutions	34,759.09	34,759.09			34,759.09
Trade Payables	13,394.16	13,394.16			13,394.16
Other Financial liabilities excluding derivative financial instruments	1,126.20	1,126.20			1,126.20
Total	<u>49,279.45</u>	<u>49,279.45</u>			<u>49,279.45</u>

(d) Description of significant unobservable inputs to valuation:

Financial Asset/ Liability	Valuation Technique	Significant unobservable input
Trade Receivables	ECL	Realisation pattern or past experience
Loans	DCF using EIR method	Discount rate
Other Financial assets excluding derivative financial instruments	DCF using EIR method	Discount rate
Borrowings from banks and financial institutions	DCF using EIR method	Discount rate

43 Financial Risk Management Objective and Policies:

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

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

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

(a) Market Risk

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

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

(i) Interest rate risk

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

Interest rate sensitivity

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

	2017-18 (+/-) 50 Basis Points	2016-17 (+/-) 50 Basis Points
Effect on profit before tax due to interest rate sensitivity	91.43	110.49

(ii) Foreign currency risk

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

Foreign Currency Exposure		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		Foreign Currency	Functional Currency (Rs. in Lacs)	Foreign Currency	Functional Currency (Rs. in Lacs)	Foreign Currency	Functional Currency (Rs. in Lacs)
I Hedged							
Forward contracts for imports	USD	5,550,000.00	3,609.72				
Forward contracts for exports	USD	4,000,000.00	2,601.60				
Term loan	USD	-	-	1,781,250.00	1,022.00	6,531,250.00	3,821.00
II Not hedged							
Trade receivables	USD	3,446,684.83	2,241.72	5,055,468.00	3,278.00	6,224,503.00	4,129.00
	EURO	2,826,250.38	2,278.52	1,597,653.00	1,104.00	390,600.00	293.00
Trade payables	USD	2,780,438.10	1,808.40	3,544,350.00	2,298.00	7,878,322.00	5,226.00
	EURO	405,075.00	326.57	175,693.00	121.00	87,876.00	66.00
Cash & bank balance							
Foreign currency loan availed under buyers' credit	USD	3,615,852.30	2,350.74	11,666,399.29	7,564.33	12,768,415.20	8,469.66

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of unhedged monetary assets and liabilities.

	(Rs. in lacs)	
	2017-18 (+/-) 5%	2016-17 (+/-) 5%
Effect on profit before tax		
USD	(95.92)	(334.31)
Euro	97.60	49.24
	1.68	(285.08)

Derivative Financial Instrument

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

	As at 31st March, 2018		As at 31st March, 2017	
	In USD	Fair Value as on 31.03.2018	In USD	Fair Value as on 31.03.2018
Derivatives not designated as hedges				
Forward Contracts	5,550,000.00	64.74		
Option Contracts	4,000,000.00	22.12	1,781,250.00	-

(iii) **Commodity price risk**

Principal Raw Material for Company's products is variety of plastic polymers which are primarily Derivatives of Crude Oil. Company sources its raw material requirement from across the globe. Domestic market prices are also generally remains in sync with international market price scenario. Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand-supply scenario in the world market affect the effective price and availability of polymers for the Company. Company effectively manages with availability of material as well as price volatility through:

1. Widening its sourcing base
2. Appropriate contracts and commitments
3. Well planned procurement & inventory strategy and
4. Prudent hedging policy on foreign currency exposure

Risk committee of the Company comprising members from Board of Directors and operations has developed and enacted a risk management strategy regarding commodity Price risk and its mitigation.

(b) Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

(i) **Trade Receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

The ageing analysis of the receivables (gross of provisions) have been considered from the date of the invoice falls due.

	(Rs in Lacs)	
	As at 31st March, 2018	As at 31st March, 2017
Less than 6 months	33,568.93	34,569.40
6 to 12 months	107.56	222.50
more than 12 months	55.61	178.81
Total	33,732.10	34,970.71

(ii) **Financial Instruments and Cash and bank balances**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Credit limits of all authorities are reviewed by the Management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to these entities.

(c) Liquidity Risk

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

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

	(Rs in Lacs)			
31st March, 2018	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings				
Term Loans from Banks	1,501.58	4,626.23	-	6,127.81
Long Term Loans from Others	-	1,862.27	-	1,862.27
Cash credit from Banks	12,090.36	-	-	12,090.36
	-	-	-	-
Buyers credit from Banks	2,350.74	-	-	2,350.74
	-	-	-	-
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,026.93	-	-	1,026.93
Trade Payables	26,690.97	-	-	26,690.97
	43,660.57	6,488.50	-	50,149.07

31st March, 2017

	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings				
Term Loans from Banks	1,870.36	4,964.58	-	6,834.94
Long Term Loans from Others	-	1,686.37	-	1,686.37
Cash credit from Banks	19,019.43	-	-	19,019.43
Buyers credit from Banks	7,564.33	-	-	7,564.33
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,286.65	-	-	1,286.65
Trade Payables	14,727.76	-	-	14,727.76
	44,468.54	6,650.94	-	51,119.48

1st April, 2016

	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings				
Term Loans from Banks	3,000.15	3,993.65	-	6,993.80
Long Term Loans from Others	-	1,560.28	-	1,560.28
Cash credit from Banks	17,735.34	-	-	17,735.34
Buyers credit from Banks	8,469.66	-	-	8,469.66
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,126.20	-	-	1,126.20
Trade Payables	13,394.16	-	-	13,394.16
	43,725.51	5,553.93	-	49,279.44

44 Capital Management:

- A. For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders, including capital reserve and net debt includes interest bearing loans and borrowings except cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

	(Rs in Lacs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Borrowings	22,431.18	35,105.06	34,759.08
Less: Current investments	-	-	-
Less: Cash and cash equivalents	1,687.82	1,558.85	1,879.70
(a) Net Debt	24,119.01	36,663.91	36,638.78
(b) Equity	29,579.98	27,400.93	24,513.85
(c) Equity and Net Debt (a+b)	53,698.99	64,064.84	61,152.63
Gearing Ratio (a/c)	44.92%	57.23%	59.91%

B. Proposed Dividend

The Board of directors in its Board meeting held on 30th May 2018 have recommended the payment of a final dividend of Rs 0.24 paise per fully paid up equity share (March 31, 2017 - Rs NIL), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

45 Earning per share (EPS)

		2017-18	2016-17
(a) Face value of equity shares	Rs.	2.00	2.00
(b) Profit attributable to equity shareholders	Rs. In Lacs	2,197.24	2,627.83
(c) Weighted average number of equity shares outstanding	Nos.	94,072,930.00	94,072,930.00
(d) Weighted average earning per share (basic and diluted)	Rs.	2.33	2.79

46 Research & Development Expenses

The Company has in-house R&D centre. The details of revenue/capital expenditure incurred by the said R&D Centre during the year are as follows:-

	(Rs in Lacs)
	2017-18
(a) Revenue expenditure charged to Statement of Profit and Loss	16.08
Other Expenses	13.83
(b) Capital expenditure shown under fixed assets schedule	102.17
Grand Total	218.72

47 Assets Pledged as Security

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

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current			
Financial Assets			
<i>First Pari Passu Charge</i>			
Trade Receivables	33,113.05	33,975.34	36,284.40
Other Current Assets	7,585.09	4,413.93	6,144.46
<i>Floating Charge</i>			
Cash and Cash Equivalant	1,687.83	1,558.84	1,879.70
Non Financial Assets			
<i>First Charge</i>			
Inventories	15,543.90	17,356.32	10,007.88
Total Current Assets Pledged as Security	57,929.87	57,304.43	54,316.44
Non Current			
<i>Exclusive Charge</i>			
Imovable properties located at Bhasa Unit.	131.99	131.99	131.99
<i>First Pari Passu Charge</i>			
Movable and immovable properties located at Surangi Unit	14,220.24	15,089.10	15,221.11
Movable and immovable properties located at Daman Unit	1,645.17	769.71	450.47
Movable and immovable properties located at Silvassa Unit	1,511.87	1,519.97	1,453.49
Movable and immovable properties located at Bhasa Unit	631.70	938.77	1,012.13

48 VALUE OF IMPORTED AND INDEGENEOUS MATERIAL CONSUMED

Particulars	(Rs in Lacs)			
	As at 31st March, 2018	%age of Total Con- sumption	As at 31st March, 2017	%age of Total Consumption
Raw Materials				
i Imported	66,497.29	45%	89,617.49	52%
ii Indegeneos	82,379.26	55%	82,937.66	48%
Total	148,876.55	100%	172,555.15	100%
Store, Spare parts and Components				
i Imported	149.02	35%	61.58	44%
ii Indegeneous	277.65	65%	75.26	56%
Total	426.67	100%	136.84	100%

49 VALUE OF IMPORTS ON CIF BASIS

Particulars	As at March 31st, 2018	As at March 31st, 2017
Raw Materials	60,564.17	83,608.27
Stors, Spare parts and Components	150.51	124.07
Capital Goods	140.31	1,293.92
Total	60,854.99	85,026.26

50 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

	As at March 31st, 2018	As at March 31st, 2017
Exports at FOB Value	32,409.19	36,090.34
Total	32,409.19	36,090.34

51 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	As at March 31st, 2018	As at March 31st, 2017
Travelling	11.69	18.17
Exhibition	12.99	77.59
Interest	112.46	314.70
Other Matters	5.73	63.31
Total	142.87	473.77

52 (A) Reconciliation of Equity as at 31st March, 2016

(Rs in Lacs)

	Note no.	IGAAP As at 1st April, 2016	IndAS Adjustment	IndAS As at 1st April, 2016
A ASSETS				
1 Non-current Assets				
Property, Plant and Equipment	1	20,577.52	(1,281.68)	19,295.85
Capital Work-in-Progress		373.31	-	373.31
Investment Property	1	-	1,281.68	1,281.68
Other Intangible Assets		25.01	-	25.01
Financial Assets				
(i) Investments	2	260.92	(60.62)	200.29
(ii) Loans		-	-	-
(iii) Other Financial Assets	3	925.66	(3.26)	922.39
Other Non-Current Assets	3	339.68	3.15	342.83
Income Tax Assets (Net)		-	-	-
		<u>22,502.09</u>	<u>(60.73)</u>	<u>22,441.36</u>
2 Current Assets				
Inventories		10,007.89	-	10,007.88
Financial Assets				
(i) Trade Receivables	4	37,382.77	(1,098.37)	36,284.40
(ii) Cash & Cash Equivalents		1,879.69	-	1,879.70
(iii) Loans		32.28	-	32.28
(iv) Other Financial Assets		1,179.78	-	1,179.78
Other Current Assets		4,932.35	0.05	4,932.40
		<u>55,414.76</u>	<u>(1,098.32)</u>	<u>54,316.44</u>
Total		<u><u>77,916.85</u></u>	<u><u>(1,159.05)</u></u>	<u><u>76,757.80</u></u>
B EQUITY & LIABILITIES				
1 Equity				
Equity Share Capital		1,881.46	-	1,881.46
Other Equity	5	<u>22,447.25</u>	<u>185.14</u>	<u>22,632.39</u>
		<u>24,328.71</u>	<u>185.14</u>	<u>24,513.85</u>
2 Non Current Liabilities				
Financial Liabilities				
(i) Borrowings	6	6,996.29	(1,442.37)	5,553.94
(ii) Other Financial Liabilities				
Provisions		42.41	-	42.41
Deferred Tax Liabilities (net)	7	<u>2,073.37</u>	<u>98.18</u>	<u>2,171.54</u>
		<u>9,112.08</u>	<u>(1,344.19)</u>	<u>7,767.89</u>
3 Current Liabilities				
Financial Liabilities				
(i) Borrowings		26,205.00	-	26,205.00
(ii) Trade Payables		13,394.16	-	13,394.15
(iii) Other Financial Liabilities		4,126.35	-	4,126.35
Other Current Liabilities		180.28	-	180.28
Provisions		146.84	-	146.84
Current Tax Liabilities (net)		<u>423.44</u>	<u>-</u>	<u>423.44</u>
		<u>44,476.07</u>	<u>-</u>	<u>44,476.06</u>
Total		<u><u>77,916.85</u></u>	<u><u>(1,159.05)</u></u>	<u><u>76,757.80</u></u>

(B) Reconciliation of Equity as at 31st March, 2017

(Rs in Lacs)

	Note no.	IGAAP As at 31st March 2017	IndAS Ad- justment	Ind AS As at 31st March 2017
A ASSETS				
1 Non-current Assets				
Property, Plant and Equipment	1	22,393.07	(1,281.68)	21,111.39
Capital Work-in-Progress		1,401.00	-	1,401.00
Investment Property	1	-	1,281.68	1,281.68
Other Intangible Assets		20.69	-	20.69
Financial Assets				
(i) Investments	2	289.60	(53.30)	236.30
(ii) Loans		-	-	-
(iii) Other Financial Assets	3	809.78	(113.31)	696.47
Other Non-Current Assets	3	(188.00)	341.50	153.50
		<u>24,726.15</u>	<u>174.88</u>	<u>24,901.03</u>
2 Current Assets				
Inventories		17,356.32	-	17,356.32
Financial Assets				
(i) Investments				
(ii) Trade Receivables	4	34,970.71	(995.36)	33,975.35
(iii) Cash & Cash Equivalents		1,558.84	-	1,558.84
(iv) Loans		73.53	-	73.53
(v) Other Financial Assets		158.42	110.30	268.72
Other Current Assets	3	4,070.84	0.84	4,071.68
		<u>58,188.66</u>	<u>(884.22)</u>	<u>57,304.44</u>
Total		<u><u>82,914.80</u></u>	<u><u>(709.34)</u></u>	<u><u>82,205.47</u></u>
B EQUITY & LIABILITIES				
1 Equity				
Equity Share Capital		1,881.46	-	1,881.46
Other Equity	5	25,283.31	236.16	25,519.47
		<u>27,164.77</u>	<u>236.16</u>	<u>27,400.93</u>
2 Non Current Liabilities				
Financial Liabilities				
(i) Borrowings	6	8,109.14	(1,458.19)	6,650.95
Provisions		54.41	-	54.41
Deferred Tax Liabilities (net)	7	2,410.05	37.61	2,447.66
		<u>10,573.60</u>	<u>(1,420.58)</u>	<u>9,153.02</u>
3 Current Liabilities				
Financial Liabilities				
(i) Borrowings		26,583.76	-	26,583.76
(ii) Trade Payables		14,727.76	-	14,727.76
(iii) Other Financial Liabilities		2,681.93	475.08	3,157.02
Other Current Liabilities		309.58	-	309.57
Provisions		167.97	-	167.97
Current Tax Liabilities (net)		705.44	-	705.44
		<u>45,176.44</u>	<u>475.08</u>	<u>45,651.52</u>
Total		<u><u>82,914.80</u></u>	<u><u>(709.34)</u></u>	<u><u>82,205.47</u></u>

(C) Reconciliation of profit or loss for the year ended 31 March, 2017

		Rs in Lacs		
	Note no.	IGAAP 2016-17	IndAS Adjustment	IndAS 2016-17
I INCOME				
Revenue from Operations	8	195,485.71	18,222.62	213,708.33
Other Income	9	1,079.82	1.46	1,081.28
Total Income		<u>196,565.53</u>	<u>18,224.08</u>	<u>214,789.61</u>
II EXPENSES				
Cost of Materials Consumed		172,555.15	-	172,555.15
Purchase of Stock-in-Trade		-	-	-
Changes in Inventories of Finished Goods & Work-in-Progress		497.09	-	497.09
& Stock-in-Trade		-	-	-
Excise Duty		-	18,699.98	18,699.98
Employee Benefits Expense	10	2,216.36	(4.53)	2,211.83
Finance Costs	11	5,278.57	119.83	5,398.40
Depreciation & Amortization Expense	12	1,313.76	0.19	1,313.95
Other Expenses	13	10,967.47	(586.18)	10,381.29
Total Expenses		<u>192,828.40</u>	<u>18,229.29</u>	<u>211,057.69</u>
III PROFIT BEFORE TAX		3,737.14	(5.22)	3,731.92
Tax expense				
Current tax		826.41	-	826.41
Tax for Previous Year		-	-	-
Deferred tax	7	336.68	(59.00)	277.68
Total Tax expense		<u>1,163.09</u>	<u>(59.00)</u>	<u>1,104.09</u>
IV PROFIT FOR THE YEAR AFTER TAX		2,574.05	53.78	2,627.83
V OTHER COMPREHENSIVE INCOME				
i Items that will not be classified to profit and loss	14	-	(4.53)	(4.53)
ii Income tax relating to items that will not be classified to profit and loss	14	-	1.57	1.57
Total Other Comprehensive Income For The Year		-	(2.96)	(2.96)
VII TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX		<u>2,574.05</u>	<u>50.82</u>	<u>2,624.87</u>

(D) Notes to the Reconciliation**1. Property Plant & Equipment**

The Company has elected to measure all its Property, Plant and Equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016. However, the Company has identified and reclassified Land at West Bengal amounting Rs 1281.67 Lacs immovable properties as Investment Properties on the date of transition i.e. 1st April, 2016 on the basis of currently undermined future use and the same has been adjusted accordingly on the 1st April 2015 & 31st March 2016.

2. Non Current Investments

The company holds certain investments in Quoted Equity shares as well as unquoted equity shares. As per IND AS 109, these investments are to be measured at Fair value through profit & loss. Loss at the time of transition of Rs. 60.22 lacs is recognised in retained earnings and subsequent gain of Rs. 135.10 only is recognised in statement of profit and loss. Also investment amounting to Rs 7.32 lacs has been written back in the statement of profit and loss in the financial year 2016-17 as the same has been written off as on the transition date. The company also holds certain Investments in Government and trust securities such as Kisan Vikas Patra, National Saving Certificate etc. The company has no expectations of recovering such investment in its entirety such investment has been written off and adjusted with Retained earnings amounting to Rs 0.40 lacs.

3 Other Non Current Financial Assets/ Non Current Assets & Current Assets

The Company has recognized the present value of security deposit receivable as on the transition date due to which Rs. 3.20 lacs has been de-recognised from the security deposit receivable and Prepaid Rent of the same amount has been recognised. In the financial year 2016-17 Rs. 0.96 Lacs has been de-recognised from the security deposit receivable and Prepaid Rent of the same amount has been recognised. Subsequent to the date of transition to IND AS interest income has been recognised by increasing the security deposit receivable on account of discounting factor and also prepaid rent would be subsequently expensed off over the life of such security deposits, accordingly 0.76 lacs has been expensed off and Rs. 0.71 lacs has been recognised as interest income in Retained earnings as on transition date. Subsequently in the financial year 2016-17 Rs. 1.51 lacsof rent has been expensed off and Rs. 1.46 lacs has been recognised as interest income in Retained earnings. Prepaid portion of Security deposit has also been further sub classified as Current , Non - Current based on realisation criteria.

4 Current Trade Receivables

The Company has applied practical expediency in calculation of the expected credit losses on trade receivables by using the provision matrix for each business segment as detailed in Note No. 13 of notes to the financial statements. Outstanding balance of provision as at 31st March, 2017: Rs.9.95 crores and as at 1st March, 2016: Rs.10.98 Crore.

5 Other Equity

The adjustments pertaining to opening balance sheet at the time of transition to Ind AS are adjusted into retained earnings and subsequently , the adjustments are made into Profit or Loss or Other Comprehensive Income as prescribed under Ind AS.

	As at 31st March, 2017 (Adjusted through P/L)	As at 1st April, 2016 (Adjusted through Retained Earnings)
(i) Investment written off	-	(0.40)
(ii) Fair Valuation of Investment through P/L	0.00	(60.22)
(iii) Amortisation of transaction cost	39.19	38.00
(iv) Unwinding of Interest due to Present Value of Security Deposit	1.46	0.71
(v) Notional Rent on security deposit	(1.51)	(0.77)
(vi) Deferred tax impact	60.57	(98.18)
(vii) Fair Valuation of Unsecured loan	(159.02)	1,404.36
(viii) Provision for Doubtful debt	103.01	(1,098.37)
(ix) Investment written back	7.32	-
	51.01	185.14

6 Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings were amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and subsequently charged to profit or loss using the effective interest method. Accordingly as on the transition date, processing fees of Rs. 38.00 lacs has been included in the initial recognition amount of the borrowings by crediting Retain earnings. In the subsequent year 2016-17 processing fees of Rs. 49.07 Lacs has further been included in the initial recognition amount of borrowings by subsequently crediting Profit & loss account and Rs. 9.89 Lacs has been debited to Profit & Loss a/c on account of amortisation of processing fees. The company has taken unsecured loan from related parties at lower interest rate and the same has been measured at amortised cost using present value technique considering interest rate prevailing in market. Accordingly Rs. 14.04 crores has been credited to Retain earnings on account of fair valuation as on transition date and subsequently Rs. 1.59 crores has been debited to profit & Loss on account of interest provision on such unsecured loan.

7 Deferred Tax Liability/Asset

Indian GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. On the date of transition, the net impact on deferred tax liabilities of Rs.98.18 lacs has been recognised in retained earnings and for the year ended 31st March 2017, deferred tax liability reversal of Rs.60.57 lacs has been recognised in statement of profit and loss.

8 Sale of Goods

Under IND AS volume discount are to be netted off from sale of product which was accounted as expense under Indian GAAP. Hence sale of product is reduced by Rs. 477.36 lacs for the period ended 31st March 2017. Under Indian GAAP sale of goods was presented as net of excise duty. However under INDAS sale of goods include excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit & loss. Accordingly sale of goods under INDAS for the year ended 31st march 2017 has increased by 18699.98 lacs.

9 Other Income

Unwinding of Interest due to Present Value of Security Deposit

2016-17

1.46

1.46

10 Employee Benefit Expenses

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in the balance sheet through OCI. Thus the employee benefit expense is reduced by Rs.4.53 Lacs and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

11 Finance Cost

- (i) Amortisation of transaction cost of borrowings
- (ii) Reversal of transaction cost debited in P/L as per IGAAP
- (ii) Unwinding of interest in respect to Unsecured loan at lower interest rate

2016-17

9.89

(49.08)

159.02

119.83

12 Depreciation and amortisation expense

- (i) Depreciation on Revaluation Reserve reversed

2016-17

(0.19)

(0.19)

13 Other Expenses

- (i) Fair valuation of Investment through P/L
- (ii) Notional Rent on Security Deposit
- (iii) Investment written back
- (iv) Provision for Doubtful debt
- (v) Discount allowed netted off with Revenue

2016-17

-

1.51

(7.32)

(103.01)

(477.36)

(586.18)

14 Other Comprehensive Income

- (i) Remeasurement of defined benefits plans

2016-17

(4.53)

(4.53)

(E) There is no material impact on the Statement of Cash Flows due to the transition from previous GAAP to Ind AS.

53 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounts Standards) Amendment Rules, 2018 has notified the following amendments to Ind AS viz. Ind AS 115- Revenue from contracts with Customers, Ind AS-21- The effect of charges in Foreign Exchange Rates, Ind AS 12 - Income Taxes, Ind AS 40 - Investment Property & Ind AS 28 - Investments in Associates and Joint Ventures which the Company has not applied as they are effective for annual periods beginning on or after 1st April, 2018.

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

For **B. Mukherjee & Co.**

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No.: 302096E

Narrindra Suranna

(DIN: 00060127)

Chairman and Managing Director

Rajesh Kothari

(DIN: 02168932)

Whole Time Director

B. Mukherjee

Partner

Membership No. 002941

Date: 30.05.2018

Place: Kolkata

Tanvi Panday

(Membership No. ACS 31176)

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KKALPANA INDUSTRIES (INDIA) LIMITED

Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of **KKALPANA INDUSTRIES (INDIA) LIMITED** ("the Group"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Group's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated 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 Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

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

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

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the 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 Group'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 Group's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

5. 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

6. 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, of the state of affairs of the Group as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

7. The corresponding financial information of the Group as at and for the year ended 31 March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued financial statements for the years ended 31st March, 2017 and 31st March, 2016, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion vide our audit report dated 30th May, 2017 and 30th May, 2016 respectively which is also explained in Notes to the attached financial statements. These financial statements have been adjusted for differences in accounting principles to comply with Ind AS and such adjustments on transition to Ind AS which has been approved by the Group's Board of Directors have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to financial statements of the Group.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements as stated in note 36 to the financial statement.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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

**B.Mukherjee
(Partner)
Mem No : 002941**

**Place: Kolkata
Date: 30th day of May, 2018**

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 8 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Kkalpana Industries (India) Limited for the year ended 31st March 2018)

We report that:

- i. In respect of its fixed assets:
 - a) The Group has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As per the information and explanations given to us, physical verification of fixed assets have been carried out in terms of the phased program of verification of its fixed assets adopted by the Group and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Group and nature of its business.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Group, the title deeds of immovable properties are held in the name of the Group.
- ii. As per the information and explanations given to us, the inventories have been physically verified at reasonable intervals during the year by the management and no material discrepancies between book stock and physical stock have been found.
- iii. The Group has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Group has not given any loan, not made any investment and have not provided any guarantee in respect of which Section 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, the paragraph 3(iv) of the Order is not applicable.
- v. According to information and explanations given to us, the Group has not accepted any deposits from public during the year.
- vi. We have broadly reviewed the books of accounts maintained by Group in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Group, the Group is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues of Income Tax , sales tax, duty of excise, service tax and value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2018 are as under :-

Name of the statute	Nature of dues	Amount Rs. in Lacs	Assessment Year	Forum where dispute is pending
Income Tax Act 1961	Income Tax	25.46*	2012-13	CIT (A)
	Income Tax	123.02*	2011-12	CIT (A)
	Income Tax	153.16	2010-11	ITAT

*Net of amounts paid under protest.

- viii. The Group has not defaulted in repayment of dues to Financial Institutions or Banks or Government or Debenture holders.
- ix. The Group did not raise any money by way of initial public offer or further public offer including debt instruments during the year. However the Group has raised Term Loan during the year and has applied the same for the purpose for which term loans are raised.
- x. According to the information and explanations given to us, no material fraud by the Group or on the Group by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Group, the Group has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Group is not a Nidhi Group. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Group, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Group, the Group has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Group, the Group has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Group is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**B.Mukherjee
(Partner)
Mem No : 002941**

**Place: Kolkata
Date: 30th day of May, 2018**

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **KKALPANA INDUSTRIES (INDIA) LIMITED ("the Group")** as of 31st March 2018 in conjunction with our audit of the financial statements of the Group for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Group'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 Group'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 Group;
- (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 Group are being made only in accordance with authorizations of management and directors of the Group; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

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

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

**B.Mukherjee
(Partner)
Mem No : 002941**

**Place: Kolkata
Date: 30th day of May, 2018**

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018					(Rs. In Lacs)
		Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A	ASSETS				
1	Non-current Assets				
	Property, Plant and Equipment	4	23,316.93	21,121.61	19,295.85
	Capital Work-in-Progress	5	410.14	1,401.00	373.31
	Investment Property	6	1,281.68	1,281.68	1,281.68
	Other Intangible Assets	7	22.29	20.69	25.01
	Goodwill		49.60	49.60	-
	Financial Assets				
	(i) Investments	8	239.04	234.72	253.92
	(ii) Loans	9	-	-	-
	(iii) Other Financial Assets	10	271.25	697.28	922.38
	Other Non-Current Assets	11	453.65	178.36	342.84
			26,044.58	24,984.94	22,494.99
2	Current Assets				
	Inventories	12	15,910.87	17,356.32	10,007.88
	Financial Assets				
	(i) Trade Receivables	13	32,968.15	33,975.34	36,284.40
	(ii) Cash & Cash Equivalents	14	1,697.50	1,581.77	1,879.70
	(iii) Loans	9	-	-	32.28
	(iv) Other Financial Assets	10	357.36	268.72	1,179.78
	Other Current Assets	15	6,525.38	4,071.68	4,932.40
			57,459.26	57,253.83	54,316.44
	Total		83,503.84	82,238.77	76,811.43
B	EQUITY & LIABILITIES				
1	Equity				
	Equity Share Capital	16	1,881.46	1,881.46	1,881.46
	Other Equity	17	27,576.96	25,550.77	22,686.02
			29,458.42	27,432.23	24,567.48
	Non-Controlling Interest		(19.32)	(1.86)	-
			29,439.10	27,430.37	24,567.48
2	Non Current Liabilities				
	Financial Liabilities				
	(i) Borrowings	18	6,488.50	6,650.94	5,553.94
	Provisions	19	93.98	54.41	42.41
	Deferred Tax Liabilities (net)	20	3,000.31	2,445.96	2,171.55
			9,582.79	9,151.31	7,767.90
3	Current Liabilities				
	Financial Liabilities				
	(i) Borrowings	21	14,441.10	26,583.76	26,205.00
	(ii) Trade Payables	22	26,733.13	14,731.12	13,394.16
	(iii) Other Financial Liabilities	23	2,528.50	3,157.02	4,126.34
	Other Current Liabilities	24	76.28	311.85	180.27
	Provisions	25	88.96	167.97	146.84
	Current Tax Liabilities (net)	26	613.98	705.37	423.44
			44,481.95	45,657.09	44,476.05
	Total		83,503.84	82,238.77	76,811.43

Significant Accounting Policies and other information 1-3

Contingent liabilities and Other notes to the financial statements

The accompanying notes form an integral part of the financial statements

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

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No.: 302096E

For and on behalf of the Board of Directors

Narrindra Suranna**(DIN: 00060127)**

Chairman and Managing Director

Rajesh Kothari**(DIN: 02168932)**

Whole Time Director

B. Mukherjee

Partner

Membership No. 002941

Date: 30.05.2018

Place: Kolkata

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

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

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

(Rs. In Lacs)

	Note No.	As at 31st March, 2018	As at 31st March, 2017
I INCOME			
Revenue from Operations	27	175,947.19	213,708.33
Other Income	28	793.01	1,081.66
Total Income		176,740.20	214,789.99
II EXPENSES			
Cost of Materials Consumed	29	147,944.46	172,555.15
Changes in Inventories of Finished Goods & Work-in-Progress & Stock-in-Trade	30	(106.28)	497.09
Excise Duty		3,775.43	18,699.98
Employee Benefits Expense	31	2,559.43	2,211.83
Finance Costs	32	5,767.94	5,398.50
Depreciation & Amortization Expense	4-7	1,732.91	1,314.79
Other Expenses	33	11,791.13	10,384.26
Total Expenses		173,465.02	211,061.60
III PROFIT BEFORE SHARE OF PROFIT/(LOSS) FROM INVESTMENT IN ASSOCIATE AND TAX		3,275.18	3,728.39
IV SHARE OF PROFIT/(LOSS) OF ASSOCIATE		4.33	(19.21)
V PROFIT BEFORE TAX		3,279.51	3,709.18
Tax expense			
Current tax	34	688.62	826.41
Deferred tax		563.98	277.61
Total Tax expense		1,252.60	1,104.02
VI PROFIT FOR THE YEAR AFTER TAX		2,026.91	2,605.16
VII OTHER COMPREHENSIVE INCOME			
i Items that will not be classified to profit and loss	35	(27.80)	(4.54)
ii Income tax relating to items that will not be classified to profit and loss		9.62	1.57
Total Other Comprehensive Income For The Year		(18.18)	(2.97)
VI TOTAL COMPREHENSIVE INCOME FOR THE YEAR PROFIT / (LOSS) FOR THE YEAR		2,008.73	2,602.19
Attributable to			
Equity Holders of the Parent		2,044.38	2,605.51
Non Controlling Interest		(17.47)	(0.35)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,026.91	2,605.16
Attributable to			
Equity Holders of the Parent		2,026.20	2,602.54
Non Controlling Interests		(17.47)	(0.35)
		2,008.73	2,602.19
EARNING PER EQUITY SHARE			
(Face value of Rs 2/- each)			
Basic (Rs.)		2.17	2.77
Diluted (Rs.)		2.17	2.77

Significant Accounting Policies and other information 1-3
Contingent liabilities and Other notes to the financial statements

The accompanying notes form an integral part of the financial statements
This is the Profit and Loss statement referred to in our report of even date.

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No.: 302096E

For and on behalf of the Board of Directors

Narrindra Suranna**(DIN: 00060127)**

Chairman and Managing Director

Rajesh Kothari**(DIN: 02168932)**

Whole Time Director

B. Mukherjee

Partner

Membership No. 002941

Date: 30.05.2018

Place: Kolkata

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

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. In Lacs)

	As at 31st March, 2018	As at 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	3,275.18	3,724.29
Adjustment for:		
Depreciation & amortization expense	1,732.91	1,314.79
Loss/(Profit) on sale of fixed assets	10.94	(114.24)
Effect of exchange rate difference transferred to FCMTDA	-	262.22
Unwinding of Interest on security deposit	(4.62)	(1.46)
Finance cost	5,767.94	5,398.50
Interest income	(137.50)	(163.54)
(Gain)/Loss on remeasurement of Investment at fair value	0.01	(0.00)
Other comprehensive income	(27.81)	(4.53)
Provision for Doubtful debts	(376.31)	(103.01)
Bad debts written off	27.57	539.31
Notional rent on Security deposit	5.27	-
	6,998.40	7,128.03
Operating profit before Working Capital changes	10,273.58	10,852.32
Adjustments for Working Capital changes		
Decrease/(increase) in non current financial assets		
Loans		
Other financial assets	(95.38)	(2.10)
Decrease/(increase) in other non current assets	(280.56)	172.91
Decrease/(increase) in inventories	1,445.45	(7,348.43)
Decrease/(increase) in current financial assets		
Trade receivables	409.31	1,872.76
Loans	(667.86)	(41.25)
Other financial assets	(88.64)	910.45
Decrease/(increase) in other current assets	(2,453.70)	860.72
Increase/(decrease) in non current provisions	39.57	11.99
Increase/(decrease) in current financial liabilities		
Trade payables	12,969.95	1,333.61
Other financial liabilities	(293.58)	102.64
Increase/(decrease) in other current liabilities	(235.58)	129.33
Increase/(decrease) in short term provisions	(79.01)	21.13
	10,669.98	(1,976.25)
Cash generated from operations	20,943.56	8,876.08
(Tax paid) / refund received (net)	(780.01)	(544.39)
Net cash from operating activities	20,163.56	8,331.69
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, CWIP and Intangible assets	(3,054.79)	(4,235.37)
Sale proceeds of Property, Plant and Equipment	104.89	197.74
Interest receipt on investments	137.50	163.54
Increase in investment in Term deposit	504.70	229.48
Purchase of current investments (net)		(36.00)
Net cash generated / (used) in investing activities	(2,307.71)	(3,680.62)

CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2017 (Contd...)

(Rs. In Lacs)

	As at 31st March, 2018	As at 31st March, 2017
C. CASHFLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(338.95)	938.00
Increase/(decrease) in short term borrowings	(11,843.59)	(741.89)
Finance cost	(5,557.57)	(5,155.92)
Net cash from financing activities	(17,740.11)	(4,959.81)
Net changes in Cash and Bank balances	115.73	(308.75)
Net Increase / (-) Decrease in Cash and Bank balances		
Balance at the end of the year	1,697.50	1,581.77
Balance at the beginning of the year	1,581.77	1,890.52
Net changes in Cash and Bank balances	115.73	(308.75)

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows.

The accompanying notes form an integral part of the financial statements

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

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No.: 302096E

B. Mukherjee

Partner

Membership No. 002941

Date: 30.05.2018

Place: Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN: 00060127)

Chairman and Managing Director

Rajesh Kothari

(DIN: 02168932)

Whole Time Director

Tanvi Panday

(Membership No. ACS 31176)

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

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

A. EQUITY SHARE CAPITAL (Refer Note No. 20)

Balance at the year beginning

Changes in equity share capital during the year

Balance at the year end

(Rs. In Lacs)

As at 31st March, 2018	As at 31st March, 2017
1,881.46	1,881.46
-	-
1,881.46	1,881.46

B. OTHER EQUITY (Refer Note No. 21)

For the year ended 31st March, 2018

Particulars	Reserve & Surplus					Other Com- prehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Foreign Currency Mone- tary Item Translation Difference Account	General Reserve	Retained Earnings	Remea- surement of defined benefit plan	
Balance as at 1st April, 2017	852.96	5,322.45	-	3,400.00	15,978.32	(2.96)	25,550.77
Add : For the Year							-
Less: Ammortized during the year							-
Balance as at 31st March, 2018	852.96	5,322.45	-	3,400.00	15,978.32	(2.96)	25,550.77

For the year ended 31st March, 2017

Particulars	Reserve & Surplus					Other Com- prehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained Earnings	Remeasure- ment of de- fined benefit plan	
Balance as at 1st April, 2016	852.96	5,322.45	(262.21)	3,400.00	13,372.82	-	22,686.02
Add: For the Year	-	-	-	-	2,605.50	(2.96)	2,602.54
Less: Ammortized During the year	-	-	262.21	-	-	-	262.21
Balance as at 31st March, 2017	852.96	5,322.45	-	3,400.00	15,978.32	(2.96)	25,550.77

The accompanying notes form an integral part of the financial statements

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

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No.: 302096E

B. Mukherjee

Partner

Membership No. 002941

Date: 30.05.2018

Place: Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN: 00060127)

Chairman and Managing Director

Tanvi Panday

(Membership No. ACS 31176)

Company Secretary

Rajesh Kothari

(DIN: 02168932)

Whole Time Director

Indar Chand Dakalia

Chief Financial Officer

Notes to the consolidated financial statements for the year ended 31st March, 2018.**1. COMPANY INFORMATION**

Kkalpana Industries (India) Limited (the Company) was incorporated in India on 03rd of September 1995. The Company is domiciled in India whose shares are listed on the Bombay Stock Exchange (BSE). The registered office is located at 2B Pretoria Street. Kolkata Plastic Processors and Exporters Pvt Limited is a subsidiary of the Company. The Parent Company along with subsidiary is engaged in the manufacturing of Plastic Compounds.

The consolidated financial statements of the Company for the year ended 31st March, 2018 were authorised for issue in accordance with a resolution of the Board of Directors as on 30.05.2018.

Group Overview

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

Group Structure

Name of the Company	Country of Incorporation	% of share held by the parent company as at 31st March 2018
Subsidiary		
Plastic Processor and Exporter Pvt Ltd.	India	90%
Associates		
Kkalpana Plastick Limited	India	36.23%

2. Basis of Preparation of consolidated financial statements**2.1 Statement of Compliance**

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

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

Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Group's Balance Sheet, Statement of Profit and Loss and Statement of cash Flows are provided in Note no 53 of the consolidated financial statements.

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

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. The consolidated financial statements are presented in Indian Rupees (Rs.), which is the Group's functional currency and transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes in these consolidated financial statements.

2.2 Basis of Consolidation**A) Investment in Subsidiaries**

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

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure or rights to variable returns from its involvement with the investee and,
- The ability to use its power over the investee to affect its return.

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

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

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

Consolidation Procedure

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

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

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

d) Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

(i) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

(ii) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

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

A) Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from the transaction between the Group and the associate are eliminated to the extent of the interest in the associate.

2.2 Basis of Measurement

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

(i) Derivative financial instruments

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

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

FIRST TIME ADOPTION OF IND AS

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

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

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

[A] Exemptions from requirement of Other IND AS

A-1] Deemed cost for property, plant and equipment, Investment Properties and intangible assets

The Group has elected to measure all its property, plant and equipment, Investment Properties and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

[A-2] Business Combination

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

[A-3] Lease

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

[A-4] Long Term Foreign Currency Monetary Items

The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The policy is detailed in Note No 17 of Notes on Accounts.

[B] Mandatory Exceptions from retrospective application

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

[B-1] Estimates

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

These are as under:

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

[B-2] Classification and measurement of financial assets

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

[C] Transition to Ind AS – Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 :

[C-1] Reconciliation of Equity as at 1st April, 2016 - Refer Note no 53 A

[C-2] Reconciliation of equity as at 31st March, 2017 - Refer Note no 53 B

[C-3] Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017 – Refer Note no 53 C

[C-4] Adjustments to statement of Cash Flows for the year ended 31st March, 2017 – Refer Note no 53 E

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with consolidated financial statements prepared under Ind AS.

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

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

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

Sale of Goods

Revenue from the sale of goods is recognised when all significant risks and rewards of ownership of the goods are transferred to the buyer, as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from Sale of Scrap is recognised as and when scrap is sold.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It excludes sales tax, Value added tax (VAT), Goods and Service Tax, Trade Discounts, Volume Rebates and Returns but includes excise duty.

Interest Income

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

Dividend Income

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

Other Claims / Receipts

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

Commission Income

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

3.2 **Property, Plant and Equipment**

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

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

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

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

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

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

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

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

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

Depreciation and Ammortization:-

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

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

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

3.3 Intangible Assets :

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

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

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

Intangible assets are amortised as follows:

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

3.4 Non Current Assets held for Sale

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

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

3.5 Investment Property

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

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

3.6 Lease

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

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

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

Impairment of non-financial assets

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

Recoverable amount is determined:-

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

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

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

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

3.7 Financial Instruments

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

a) Financial Assets**Initial Recognition and measurement of Financial Assets**

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

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

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

Subsequent measurement

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

- (a) Financial assets at amortised cost
- (b) Financial assets at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets at fair value through profit or loss (FVTPL)
- (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortised cost

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Derecognition

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

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

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

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

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

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

Write Off

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

Impairment of financial assets

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

(a) Financial assets measured at amortised cost

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

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

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

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

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

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

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

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

b Financial liabilities

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

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

Subsequent measurement

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

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

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

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

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

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

(b) Loans and borrowings

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

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

(c) Financial Guarantee Contracts

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

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting

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

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

3.8 Cash and cash equivalents

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

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

3.9 Foreign currency Transactions

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

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

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

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

In accordance with Ind AS 101, exchange differences arising on long-term foreign currency monetary items before 31st March 2017 and which are directly related to acquisition of property, plant and equipments (other than land) are continued to be capitalised and depreciated over the remaining useful life of such asset. Exchange rate differences arising on other long term foreign currency monetary items which are not directly related to property , plant and equipment are continued to be accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the remaining life of concerned monetary item.

3.10 Fair Value Measurement:

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

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

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

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

3.11 **Inventories**

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

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

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

3.12 **Employee Benefits**

Short Term Employee Benefits

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

Post Employment Benefits

Defined Contribution Plan

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

Defined benefit plans:

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

Defined benefit costs are comprised of:

- a) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b) Net interest expense or income; and
- c) Re-measurement.

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

3.13 **Borrowing Cost**

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

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

3.14 **Income Taxes**

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

Current Tax

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

Deferred Tax

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

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

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

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

Deferred tax assets and liabilities are offset only if:

- (i) entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
 - (ii) deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.
- Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

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

3.15 **Provisions, Contingent Liabilities and Contingent Assets**

General

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

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Contingent Liabilities and Assets

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

3.16 Earnings per Share

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

3.17 Current and Non-current Classification

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

An asset is current when:

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

All other assets are classified as non-current.

A liability is current when:

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

Or

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

All other liabilities are classified as non-current.

3.18 Business Combination

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

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

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

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

04. Property Plant and Equipment

(Rs. In Lacs)

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2017		Addition during the year	Sales/Disposals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/Disposals	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
TANGIBLE ASSETS:											
Free hold land	1,591.40	-	16.90	-	1,608.30	-	-	-	-	1,608.30	1,591.40
Factory Building	6,729.67	-	94.70	15.31	6,809.06	249.81	254.77	3.96	500.62	6,308.43	6,479.86
Plant & Machinery	11,710.06	-	3,625.31	106.55	15,228.81	735.14	1,095.92	16.41	1,814.64	13,414.17	10,974.92
Furniture & Fixture	232.43	-	9.18	-	241.61	19.45	25.89	-	45.35	196.27	212.98
Motor Car	223.25	-	38.61	34.15	227.71	45.33	47.41	19.81	72.93	154.78	177.91
Scooter, Moped & Cycle	1.01	-	-	-	1.01	0.17	0.17	-	0.34	0.68	0.84
Laboratory Equipment	601.33	-	102.17	-	703.51	56.07	79.00	-	135.07	568.44	545.26
Electrical Installation	1,214.22	-	117.36	-	1,331.58	185.47	201.12	-	386.59	944.98	1,028.74
Office Equipment	43.81	-	15.38	-	59.19	8.49	10.76	-	19.25	39.94	35.32
Air Conditioner	60.45	-	7.06	-	67.51	3.64	5.25	-	8.88	58.62	56.81
Computer	24.36	-	12.33	-	36.68	6.79	7.56	-	14.36	22.33	17.56
Total	22,431.98	-	4,039.01	156.01	26,314.97	1,310.37	1,727.86	40.18	2,998.04	23,316.93	21,121.61

05. Capital Work In Progress

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2017		Addition during the year	Adjustments	As at 31-03-2018	As at 01-04-2017	For the Period	Adjustments	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Capital Work-in-Progress	1,401.00	-	418.75	1,409.61	410.14	-	-	-	-	410.14	1,401.00
Total	1,401.00	-	418.75	1,409.61	410.14	-	-	-	-	410.14	1,401.00

06. Investment Property

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2017		Addition during the year	Sales/Disposals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/Disposals	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Free Hold Land	1,281.68	-	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68
Total	1,281.68	-	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68

07. Other Intangible Assets

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2017		Addition during the year	Sales/Disposals	As at 31-03-2018	As at 01-04-2017	For the Period	Sales/Disposals	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Technical Knowhow	0.20	-	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	24.91	-	6.65	-	31.56	4.42	5.05	-	9.48	22.08	20.49
Total	25.12	-	6.65	-	31.77	4.42	5.05	-	9.48	22.29	20.69

Schedules for the year ended 31st March 2017

04. Property Plant and Equipment

(Rs. In Lacs)

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2016	Acquisition of a Subsidiary	Addition during the year	Sales/Disposals	As at 31-03-2017	As at 01-04-2016	For the year	Sales/Disposals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
TANGIBLE ASSETS:											
Free hold land	1,590.94	-	0.46	-	1,591.40	-	-	-	-	1,591.40	1,590.94
Factory Building	6,552.30	7.47	223.92	54.03	6,729.67	-	249.81	-	249.81	6,479.86	6,552.30
Plant & Machinery	9,201.23	3.58	2,523.15	17.91	11,710.06	-	735.14	-	735.14	10,974.92	9,201.23
Furniture & Fixture	99.79	-	132.65	-	232.43	-	19.45	-	19.45	212.98	99.79
Motor Car	217.12	-	17.70	11.57	223.25	-	45.33	-	45.33	177.91	217.12
Scooter, Moped & Cycle	1.01	-	-	-	1.01	-	0.17	-	0.17	0.84	1.01
Laboratory Equipment	396.44	-	204.89	-	601.33	-	56.07	-	56.07	545.26	396.44
Electrical Installation	1,174.73	-	39.48	-	1,214.22	-	185.47	-	185.47	1,028.74	1,174.73
Office Equipment	29.24	-	14.57	-	43.81	-	8.49	-	8.49	35.32	29.24
Air Conditioner	23.67	-	36.78	-	60.45	-	3.64	-	3.64	56.81	23.67
Computer	9.37	-	14.98	-	24.36	-	6.79	-	6.79	17.56	9.37
Total	19,295.85	11.05	3,208.58	83.50	22,431.98	-	1,310.37	-	1,310.37	21,121.61	19,295.85

05. Capital Work In Progress

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2016		Addition during the year	Capitalized during the year	As at 31-03-2017	As at 01-04-2016	For the Period	Sales/ Dis- posals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Capital Work-in-Progress	373.31	-	3,623.16	2,595.46	1,401.00	-	-	-	-	1,401.00	373.31
Total	373.31	-	3,623.16	2,595.46	1,401.00	-	-	-	-	1,401.00	373.31

06. Investment Property

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04- 2016		Addition during the year	Sales/ Disposals	As at 31-03- 2017	As at 01-04- 2016	For the Period	Sales/ Dis- posals	As at 31-03- 2017	As at 31-03- 2017	As at 31-03- 2016
Free Hold Land	1,281.68	-	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68
Total	1,281.68	-	-	-	1,281.68	-	-	-	-	1,281.68	1,281.68

07. Other Intangible Assets

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at 01-04-2016		Addition during the year	Sales/ Disposals	As at 31-03-2017	As at 01-04-2016	For the Period	Sales/ Dis- posals	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Technical Knowhow	0.20	-	-	-	0.20	-	-	-	-	0.20	0.20
Computer Software	24.81	-	0.11	-	24.91	-	4.42	-	4.42	20.49	24.81
Total	25.01	-	0.11	-	25.12	-	4.42	-	4.42	20.69	25.01

Other Notes to Note No 04 to 07

KKALPANA INDUSTRIES (INDIA) LIMITED

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

- A1. Refer Note No 47 for information on Property, Plant and Equipment and Intangible Assets pledged as security by the Company.
- A2. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for the year ended 31st March, 2018 is Rs. 70.65 lacs (31st March, 2017: Rs.49.94 Lacs and 1st April, 2016: Rs. 140.28 Lacs).
- A3. There has been no impairment loss on above assets during the year.
- A4. The Company has elected optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value.
- 5. Borrowing costs capitalised for the year ended 31st March , 2018 is Rs. Nil (31st March , 2017 Rs. Nil And 31st March, 2016 Rs. 92.58 lacs).

B Disclosures for Investment Property

- B1. The Company has identified and reclassified Land at West Bengal amounting Rs 1281.67 Lacs. immovable properties as Investment Properties on the date of transition i.e. 1st April, 2016 on the basis of currently undermined future use.
- B2. No amount of Income / Expenses has been recognised in Profit and Loss in relation to the above Investment Property.
- B3. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- B4. The Company has elected optional exemption under Ind AS 101 to measure Investment Property at previous GAAP carrying value.
- B5. Since the Land at West Bengal are partial agricultural in nature, the management has not determined the Fair Market Value of these properties from the accredited independent valuer and hence the disclosure requirement of fair value has not been furnished.

8 FINANCIAL ASSETS:- NON-CURRENT INVESTMENTS	Face Value Rs.	No. of Shares / Units			(Rs. In Lacs)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Equity Instruments - Fully paid up							
<u>Unquoted</u>							
(a) Others-At Fair Value Through Profit and Loss							
(i) Panchawati Holiday Resorts Ltd.	10	9,400	9,400	9,400	-	-	-
<u>Quoted</u>							
(a) Associate-At Deemed Cost							
(i) Kkalpana Plastick Limited	10	2,002,920	2,002,920	2,002,920	239.04	234.71	253.92
(b) Others-At Fair Value Through Profit and Loss							
(i) Dena Bank	10	14	14	14	-	0.01	0.00
(ii) Nicco Corporation Ltd.	2	826,194	826,194	826,194	-	-	-
Investments in Government or trust securities #							
(At Amortised Cost)							
(a) 7 Year National Saving Certificate					-	-	-
(b) Indira Vikash Patra					-	-	-
(c) 5.5 Year Kissan Vikash Patra					-	-	-
Total Investments					239.04	234.72	253.92
Less: Provision for diminution in the value of Investments					-	-	-
Net Investments					239.04	234.72	253.92
Notes:							
Aggregate amount of Quoted Investments and market value thereof					-	-	253.92
Aggregate amount of Unquoted Investments					239.04	234.72	-
Aggregate amount of Impairment in the value of Investments					-	-	-
Total Investment (net)					239.04	234.72	253.92
# Represent Investment written off as on transition date i.e 1st April 2016					-	-	0.40

9. FINANCIAL ASSETS - LOANS	Non Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Unsecured, considered good						
Loan to Related Party	-	-	-	-	-	-
Loans to Others	-	-	-	-	-	32.28
Total	-	-	-	-	-	32.28

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

(Rs. In Lacs)

	Non Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
10. FINANCIAL ASSETS - OTHERS						
Unsecured, considered good						
(a) Security Deposit	106.85	28.42	24.40	101.70	97.32	110.30
(b) Investment in Term Deposits (with remaining maturity of more than 12 months)	163.82	668.52	897.98	-	-	-
(c) Derivative Instruments						
Foreign Exchange Forward Contracts	-	-	-	64.74	-	-
Foreign Currency Options	-	-	-	22.12	-	-
(d) Others - Advances Recoverable from						
Employees	-	-	-	82.00	126.63	64.37
Others	-	-	-	55.63	32.70	970.88
(e) Interest Accrued on Deposits	0.58	0.34	-	31.17	12.07	34.23
Total	271.25	697.28	922.38	357.36	268.72	1,179.78
11. OTHER NON CURRENT ASSETS						
				As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Capital Advances						
(i) Unsecured - considered good				421.79	167.86	339.44
(b) Other Advances						
(i) Unsecured, considered good						
- Balance With Government Authorities				8.44	8.69	0.25
(c) Prepaid Rent				23.42	1.81	3.15
Total				453.65	178.36	342.84

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

	(Rs. In Lacs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
12 INVENTORIES			
(As taken valued and certified by the management) At Cost or NRV whichever is lower			
(a) Raw materials			
- In Stock	12,492.34	14,437.00	6,609.87
- In Transit	222.40	-	3.36
	-	-	-
(b) Finished goods			
- In Stock	2,778.27	2,671.99	3,169.07
(c) Stores and spares- at Cost			
- In Stock	417.86	247.33	225.58
Total	15,910.87	17,356.32	10,007.88

- During the year ended 31st March, 2018 and year ended 31st March, 2017 no amount was recognised as an expense for the inventories carried at net realisable value.
- Refer Note No :- 47 for details of Carrying amount of Inventories pledged with banks against Working Capital loans.
- Stores and Spares does not include machinery spares which can be used only in connection with an item of Fixed Assets.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
13 TRADE RECEIVABLES			
(a) Unsecured, considered good			
(i) Others	33,587.21	34,970.70	37,382.77
(ii) Related Parties	-	-	-
	33,587.21	34,970.70	37,382.77
Less: Allowance for bad and doubtful debts	619.06	995.36	1,098.37
Total (net of provision)	32,968.15	33,975.34	36,284.40

- There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other persons or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
- The Company has done the Impairment Assesement for Trade Receivables based on expected credit loss model considering the credit risk as significantly low. The Company has used a simplified approach based on a 12 months ECL. A provison matrix has been prepared based on historical credit loss experience adjusted as appropriate to reflect the current conditions and supportable forecast of future economic conditons. The Company has used the adjustment rate of 5% for worsening of future economic conditons.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
14 CASH & CASH EQUIVALENTS			
(a) Balance with banks:			
(i) In Current Accounts	349.18	498.74	541.26
(ii) In EEFC Account	25.03	81.38	250.74
(ii) In Deposit with Original Maturity of less than 3 months	58.00	-	-
(b) Cash in hand (As certified by the management)	26.38	38.22	112.20
(c) Other Bank Balance	-	-	-
(i) Unpaid Dividend account	24.58	33.82	41.92
(ii) Deposits with more than 3 months initial maturity	1,214.33	929.61	933.58
	-	-	-
Total	1,697.50	1,581.77	1,879.70

(Rs. In Lacs)

15 OTHER CURRENT ASSETS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Other Advances			
(i) Unsecured, considered good			
- Balances with government departments	6,313.06	3,884.33	4,741.65
- Others	13.50	-	-
(b) Prepaid Expenses	198.77	186.51	190.70
(c) Prepaid Rent	0.05	0.84	0.05
Total Other Current Assets	6,525.38	4,071.68	4,932.40
Less: Total Provision for Doubtful Advances/ Debts	-	-	-
Total (net of provision)	6,525.38	4,071.68	4,932.40

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

16 EQUITY SHARE CAPITAL (Refer Statement of Changes in Equity)**Authorised Shares**

153,000,000 (Previous Year: 153,000,000) Shares of Rs. 2 each

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised Shares	3,060.00	3,060.00	3,060.00
	3,060.00	3,060.00	3,060.00
Issued, Subscribed and Paid Up			
940,72,930 (Previous Year: 940,72,930) Equity Shares of Rs.2 each	1,881.46	1,881.46	1,881.46
	1,881.46	1,881.46	1,881.46

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

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Amount (Rs. In Lacs)	No. of Shares	Amount (Rs. In Lacs)	No. of Shares	Amount (Rs. In Lacs)
Equity Shares outstanding at the beginning of the year	94,072,930	1,881.46	94,072,930	1,881.46	94,072,930.00	1,881.46
Equity Shares issued during the year	-	-	-	-	-	-
Equity Shares bought back during the year	-	-	-	-	-	-
Equity Shares outstanding at the end of the year	94,072,930	1,881.46	94,072,930	1,881.46	94,072,930.00	1,881.46

(b) Terms/ Rights attached to Equity Shares

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

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

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

Sl. No.	Name of the Shareholders	As at 31st March 2018		As at 31st March, 2017		As at 1st April, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Sri Ram Financial Consultants Pvt Ltd	4,785,170	47.61	44,785,170	47.61	44,785,170	47.61
2	Shyam Baba Trexim Pvt Ltd	15,551,680	16.53	15,551,680	16.53	15,551,680	16.53
3	Subh Labh Vintrade Pvt Ltd.	-	-	-	-	7,750,000	8.24
4	Almond Polytraders Pvt Ltd.	7,750,000	8.24	7,750,000	8.24	-	-
5	Inbara holdings Pvt Ltd.	7,250,000	7.71	7,250,000	7.71	7,250,000	7.71

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

(Rs. In Lacs)

17 OTHER EQUITY (Refer Statement of Changes in Equity)**(a) Security Premium Reserve**

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

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	5,322.45	5,322.45	5,322.45
Add: During the year	-	-	-
	5,322.45	5,322.45	5,322.45

(b) Capital Reserve and Amalgamation Reserve

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	852.96	852.96	852.96
Add: During the year	-	-	-
	852.96	852.96	852.96

(c) Foreign Currency Monetary Item Translation Difference Account

Exchange rate differences arising on other long term foreign currency monetary items which are not directly related to property , plant and equipment are accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the remaining life of concerned monetary item.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	-	(262.21)	(266.08)
Exchange Gain/(loss) during the year	-	-	(111.03)
Ammortization during the year	-	262.21	114.91
	-	-	(262.21)

(d) General Reserve

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	3,400.00	3,400.00	3,400.00
Add: During the year	-	-	-
	3,400.00	3,400.00	3,400.00

(e) Retained Earnings

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
As per Last Financial Statement	15,978.32	13,372.82	12,233.47
Add: During the year	2,044.38	2,605.50	1,139.35
	-	-	-
	18,022.70	15,978.32	13,372.82

			(Rs. In Lacs)		
			As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(f) Other Comprehensive Income					
As per Last Financial Statement			(2.96)	-	-
Add: During the year			(18.18)	(2.96)	-
			-	-	-
			(21.15)	(2.96)	-
			-	-	-
Total Reserves (a+b+c+d+e+f)			27,576.96	25,550.77	22,686.02

			Non Current			Current *		
			As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
18 LONG TERM BORROWINGS								
Secured								
(a) Term Loans								
I From Banks								
(i) Rupee Loan			4,626.23	4,964.58	2,962.72	1,501.58	848.28	210.00
(ii) Foreign Currency Loan			-	-	1,030.93	-	1,022.08	2,790.15
			4,626.23	4,964.58	3,993.65	1,501.58	1,870.36	3,000.15
II From Others								
(i) From Banks - Veichle Loan			82.00	82.55	114.59	-	-	-
Total (Net) (a)			4,708.23	5,047.13	4,108.24	1,501.58	1,870.36	3,000.15
Unsecured								
(b) Long term loan -Related Party			1,780.27	1,603.82	1,445.70	-	-	-
Total (Net) (b)			1,780.27	1,603.82	1,445.70	-	-	-
Grand Total (Net) (a+b)			6,488.50	6,650.95	5,553.94	1,501.58	1,870.36	3,000.15

* Refer Note No. 23

Details of terms of repayment of long term borrowings

Long term borrowings	Terms of Repayment	Maturity Date	Interest Rate	Loan Taken Date
Secured				
a) Term Loans				
I From Banks				
(i) Rupee Loan-IDFC	1 Year moratorium from the date of 1st disbursement & thereafter payable in 20 equal quarterly installments.	13th Feb 2021	10.35%	01st April 2017
(ii) Rupee Loan-HDFC	Repayable in 15 equal quarterly installments starting from 30th June 2017.	30th March 2022	9.85%	24th March 2017
(iii) Rupee Loan-SBI	Will start after completing moratorium period of 2 years. 24 quarterly installment starting from 31st December 2016 in a structured way.	30th Sep 2022	12.50%	31st Dec 2014
(iv) Rupee Loan-HDFC	Repayable in 20 equal quarterly installments after 12 months of moratorium from the date of first disbursal. Repayments to start from 31st March 2018 till 31st December 2022.	31st Dec 2022	9.90%	06th Jan 2017
(v) Foreign Currency Loan-SCB	Principal & Interest to be paid in 16 installment. Each installment having USD 593750 towards repayment of Principal	18th May 2017	8.80%	18th May 2012
(vi) Foreign Currency Loan-DBS	Door to Door maturity of 5 years with repayment in 16 equal quarterly installments with 1st repayment starting from the end of 15th month from the date of 1st drawdown.	26th July 2017	Libor +2.35%	27th July 2012
II From Others				
(i) Veichle Loan-	60 equal monthly instalment			

Long term borrowings	Terms of Repayment	Maturity Date	Interest Rate	Loan Taken Date
Unsecured				
(b) Long term loan/deposits				
RELATED PARTY				
i Shyambaba Trexim Pvt Ltd.	Repayable on Demand after 30th March 2022		4.00%	
ii Sri Ram Financial Consultant Pvt Ltd.				
iii Inbara Holdings Pvt Ltd.				
iv Krishna Commodeals Pvt Ltd.				

Details of terms of security for long term borrowings

- ECB Loan from Standard Chartered are secured by exclusive charge by way of equitable mortgage over all present and future immovable properties located at Bhasa Unit.
- ECB Loan from Standard Chartered , DCB and Rupee Loan from SBI are secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Surangi Unit and all present and future movable properties located at Daman Unit.
- Rupee Term Loan from HDFC and IDFC are secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Silvasa, Surangi, Daman and Bhasa Units.
- Veichle Loan are secured by hypothecation against Motor Car.

	(Rs. In Lacs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
19 LONG TERM PROVISIONS			
(a) Employee benefits			
Gratuity (Refer Note No. 39(b))	93.98	54.41	42.41
Total	93.98	54.41	42.41
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
20 DEFERRED TAX LIABILITIES (NET)			
(a) Liabilities :			
Depreciation and ammortization expenses	2,845.24	2,351.08	2,073.36
Items under financial assets and financial liabilities giving temporary differences	387.89	457.70	499.17
Total (a)	3,233.13	2,808.78	2,572.53
(b) Assets :			
Items under financial assets and financial liabilities giving temporary differences	18.58	18.35	20.86
Provision for doubtful debts & obsolescence	214.24	344.47	380.12
Total (b)	232.82	362.82	400.98
Net Liability (a-b)	3,000.31	2,445.96	2,171.55

Reconciliation of deferred tax assets/ liabilities (net):

	As at 31st March, 2018	As at 31st March, 2017
Opening balance as at year beginning	2,445.96	2,171.55
Impact of Deferred Tax Liability for subsidiary aquired during the year.	-	(1.63)
Tax (benefit) / expense during the period recognised in profit or loss	563.97	277.61
Tax impact on items of Other Comprehensive income that will not be classified to profit & loss	(9.62)	(1.57)
Closing balance as at year end	3,000.31	2,445.96

	As at 31st March, 2018	As at 31st March, 2017	(Rs. In Lacs) As at 1st April, 2016
21 <u>SHORT TERM BORROWINGS</u>			
Secured			
(a) Loans repayable on demand			
Cash credits	12,090.36	19,019.43	17,735.34
from bank *			
(b) Other Loans and advances	-	-	-
Buyer's credit	2,350.74	7,564.33	8,469.66
from bank *			
Others	-	-	-
Total	14,441.10	26,583.76	26,205.00

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

* Working capital facilities (fund based & non fund based limits) are secured by:-

1. 1st pari passu charge by way of hypothecation over entire current assets, stock and book debts of the Company both present & future.
2. 1st pari passu charge by way of equitable mortgage over property located at D-403, Dharam Place, CHS Limited, Shantivan, Borivalli (E), Mumbai - 400066.
3. 1st pari passu charge by way of equitable mortgage over all fixed assets both present & future except immovable assets of Surangi, Daman, Silvassa and Bhasa.
4. Exclusive Charge on Immovable property located at Bhasa Unit.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
22 <u>TRADE PAYABLES</u>			
(a) Micro & Small Enterprises	-	-	-
(b) Others			
Acceptances secured *	22,781.90	11,905.83	10,299.50
Sundry Creditors for goods	2,809.76	1,862.55	2,425.64
Sundry Creditors for expenses	1,141.47	962.74	669.02
Total	26,733.13	14,731.12	13,394.16

* Secured by way of hypothecation of stocks and book debts in favor of the Company's banker.

The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Act 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act has not been given.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
23 <u>CURRENT FINANCIAL LIABILITIES-OTHER</u>			
(a) Current maturities of long-term debts (Refer Note No. 18)	1,501.58	1,870.36	3,000.15
(b) Interest payable on Unsecured Loan	253.06	219.21	135.64
(c) Unpaid dividends #	24.59	33.83	41.92
(d) Others			
(i) On capital account	172.30	284.73	290.85
(ii) Other Liability	576.97	748.89	657.78
Total	2,528.50	3,157.02	4,126.34

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

24 OTHER CURRENT LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Advance payments from customers	0.90	0.90	-
(b) Other payables			
(i) Statutory dues	74.75	310.34	180.27
(ii) Others	0.63	0.61	-
Total	76.28	311.85	180.27

		(Rs. In Lacs)	
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
25 SHORT TERM PROVISIONS			
(a) Employee benefits			
(i) Leave/Bonus encashment (unfunded)	88.96	167.97	146.84
Total	88.96	167.97	146.84
26 INCOME TAX LIABILITIES			
Income Tax (Net of Payments)	613.98	705.37	423.44
Total	613.98	705.37	423.44
27 REVENUE FROM OPERATIONS			
	2017-18	2016-17	
(a) Sale of Products			
(i) PE Compound	88,479.17	104,130.02	
(ii) PVC Compound	43,388.18	60,491.60	
(iii) Others	43,535.12	48,142.95	
(b) Sale of Scrap	6.09	-	
(c) Sale of Services			
(i) Commission Received -Refer Note below:-	538.63	943.76	
Commission relates to sale of Products in which the Company Acts as an agent in the transaction rather than as a Principal in assessing the Companies role to be that of an agent rather than as a principal, the management considered the following factors:-			
a - The Company does not take title to the goods and has no responsibility in respect of goods sold.			
b- The Company cannot vary the selling prices set by the supplier.			
c- Credit risk is born by the supplier.			
Total	175,947.19	213,708.33	
28 OTHER INCOME			
	2017-18	2016-17	
(a) Interest income	137.78	163.91	
(b) Profit on Sale of Assets	-	114.24	
(c) Exchange difference other than considered as finance cost (net)	400.68	694.86	
(d) Export Incentive	19.63	84.00	
(e) Unwinding of Interest on security deposit	4.62	1.46	
(f) Fair Value gain or losses on derivatives	86.86	-	
(g) Insurance Claim Received	97.37	11.21	
(h) Other Miscellaneous Income	46.07	11.98	
Total	793.01	1,081.66	
29 COST OF MATERIALS CONSUMED			
	2017-18	2016-17	
Inventory at the beginning of the year	14,437.00	6,609.87	
Add: Purchases during the year	146,111.81	180,382.28	
Less: Raw Material at the end of the Year	12,604.35	14,437.00	
Total Cost of Material Consumed	147,944.46	172,555.15	
<u>Details of Raw Material Consumed</u>			
LLDPE/ LDPE	68,649.61	78,262.24	
PVC Resin	27,466.90	35,417.64	
Plastic Scrap	4,693.06	36.26	
Other items	47,134.89	58,839.01	
	147,944.46	172,555.15	

	(Rs. In Lacs)	
	2017-18	2016-17
30 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE		
(a) Stocks at the beginning of the year		
Finished goods	2,671.99	3,169.08
(b) Less: Stocks at the end of the year	-	-
Finished goods	2,778.27	2,671.99
	-	-
Total	(106.28)	497.09
31 EMPLOYEE BENEFITS EXPENSE	2017-18	2016-17
(a) Salaries, Wages, Bonus and Gratuity	2,362.38	2,062.72
(b) Contribution to Provident and other funds	100.23	70.95
(c) Workmen and staff welfare expenses	96.82	78.16
	-	-
Total	2,559.43	2,211.83
32 FINANCE COSTS	2017-18	2016-17
(a) Interest expense		
(i) To Banks	4,088.79	3,452.69
(ii) To Others	371.83	361.92
(b) Other borrowing costs	1,130.81	1,424.87
(c) Unwinding of Interest	176.51	159.02
	-	-
Total	5,767.94	5,398.50
33 OTHER EXPENSES	2017-18	2016-17
(a) Consumption of Stores and Spare Parts.	155.62	136.84
(b) Power & Fuel	2,391.99	1,892.11
(c) Clearing and Forwarding charges	1,567.90	1,114.55
(d) Rent	593.16	303.72
(e) Repair & Maintenance - Building	65.00	85.75
(f) Repair & Maintenance - Machinery	327.44	412.18
(g) Repair & Maintenance - Others	158.44	157.50
(h) Insurance Charges	173.33	123.22
(i) Rates & Taxes	44.84	31.96
(j) Carriage and freight	822.80	1,273.78
(k) Payments to Auditors (Refer Note (i) below)	6.10	3.73
(l) Directors' Fees	3.20	3.90
(m) Bad debts / Advances Written off	27.57	539.31
(n) Loss on sale of fixed assets	10.94	-
(o) Interest on late payment of Statutory Dues	0.23	-
(p) Selling & Distribution Expenses	4,460.29	3,140.01
(q) Net (gain)/loss on Fair value of Financial Assets through Profit & Loss	0.01	(0.00)
(r) Provision for doubtful debts	(376.31)	(103.01)
(s) Miscellaneous expenses	1,358.58	1,268.71
	-	-
Total	11,791.13	10,384.26
Note :- (i)		
Auditors' remuneration and expenses		
Audit fees	3.20	3.08
Tax audit fees	0.65	0.65
Fees for other services	2.25	-
	6.10	3.73

(Rs. In Lacs)

34 Income Tax**I Income tax related to items charged or credited directly to profit or loss during the year:****(a) Statement of profit and loss**

(i)	Current Income Tax *	688.62	826.41
(ii)	Deferred Tax expense/ (benefit)	563.98	277.61
		<u>1,252.60</u>	<u>1,104.02</u>

(b) Other Comprehensive Income

(i)	Deferred Tax related to items recognised in OCI during the year: - Net expense/(benefit) on remeasurements of defined benefit plans	9.62	1.57
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Total (a+b)

<u>1,262.22</u>	<u>1,105.59</u>
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* The provision for current tax has been made as per MAT under section 115 JB of the Income Tax Act, 1961. The Company is entitled to avail credit under section 115 JA (1A). Accordingly, MAT credit entitlement has been considered as an asset.

II Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2017 and 31st March, 2016:

Accounting profit before income tax and share of profit from Associate as per Ind AS	3,275.18	3,728.39
At Income tax rate of 34.608% (31st March, 2017: 34.608%)	1,133.47	1,290.32
Tax effect of items that are not deductible for tax purpose	59.02	44.66
Tax effect of items that are deductible for tax purpose	-	(135.46)
Tax effect of items that are not taxable for tax purpose	-	-
Deferred Tax impact on transition date	-	(98.30)
Tax effect of deductions under Chapter VIA of Income Tax Act, 1961	(9.95)	-
Tax effect of profit/(loss) from share of subsidiary	60.44	1.23
At the effective income tax rate of 37.95% (31st March 2017: 29.57 %)	<u>1,242.98</u>	<u>1,102.45</u>
Income tax expense reported in the statement of profit and loss	1,242.98	1,102.45

35 Other Comprehensive Income

i	Items that will not be classified to profit and loss		
-	Remeasurement gain/ (losses) on defined benefit plans		
	Balance as at year beginning	(4.53)	(28.64)
	Add: Created during the year	(23.27)	-
	Less: Adjustments	-	24.10
	Balance as at year end	<u>(27.80)</u>	<u>(4.54)</u>
ii	Income tax relating to items that will not be classified to profit and loss		
-	Remeasurement gain/ (losses) on defined benefit plans		
	Balance as at year beginning	1.57	9.91
	Add: Created during the year	8.05	-
	Less: Adjustments	-	(8.34)
	Balance as at year end	<u>9.62</u>	<u>1.57</u>
		-	-
Total		<u>(18.18)</u>	<u>(2.97)</u>

36 OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Contingent liabilities & Commitments**

		(Rs. In Lacs)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A	Not Provided for:-			
(a)	Claims against the Group not acknowledged as debts - Demand raised by following authorities in dispute:			
(i)	Income tax matters	338.77	-	-
B	Bank Guarantee	658.44	898.63	612.54
C	Capital Commitments			
	Estimated Value of contracts in Capital account remaining to be executed and not provided for (Net of advances)	70.65	49.94	140.28
D	Other Commitments			
	Letter of Credit	23,185.05	21,849.97	10,561.38

37 Details of loans given, Investments made and Guarantee given covered u/s 186(4) of the Companies Act, 2013

- A. Loan Given
There is no loan given during the year.
- B. Investment Made
There are no investments by the Group other than those stated
under Note No. 8 in the financial statements.
- C. Securities Given
There is no security given during the year.

38 Disclosure on Corporate Social Responsibility Expenses

- (a) Gross amount required to be spent by the Group during the year in pursuance to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder : Rs. 72 Lacs (PY Rs. 66.61 Lacs).
- (b) Amount unspent as on 31st March 2017 is Rs.63.41 lacs.
- (c) Amount spent during the year 2017-18 and shown under Other Expenses in the Statement of Profit and Loss (Refer Note No. 33):

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(i)	Spent in Cash	135.50	125.00	-
(ii)	Yet to Spend	-	63.41	121.81
	Total	135.50	188.41	121.81

39 Disclosures as required by Ind AS 19, Employee Benefits**(a) Defined contribution plans:**

		2017-18	2016-17
Contribution to defined contribution plan, recognised as expense for the year as under:			
(i)	Employer's contribution to Government Provident Fund, Pension Fund & ESI	99.67	70.95
	Total	99.67	70.95

(b) Defined benefit plan:**Gratuity**

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

		(Rs. In Lacs)	
		Gratuity (Funded)	
		2017-18	2016-17
(A)	Change in present value of the obligation during the year		
	(1) Present value of obligation at year beginning	172.44	139.16
	(2) Current service cost	24.75	24.43
	(3) Interest cost	12.73	11.69
	(4) Benefits paid	(16.40)	(6.31)
	(5) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
	(6) Actuarial (gain) / loss arising from changes in financial assumptions	(4.48)	9.23
	(7) Actuarial (gain) / loss arising from changes in experience adjustments	30.81	(5.76)
	(8) Present value of obligation at year end	219.85	172.44
(B)	Change in fair value of plan assets during the year		
	(1) Fair value of plan assets at year beginning	118.04	96.75
	(2) Interest income on plan assets	9.15	8.05
	(3) Expected return on plan assets other than interest income	(1.48)	(1.07)
	(4) Contribution made by the Employer	16.56	20.60
	(5) Benefits paid	(16.40)	(6.31)
	(6) Fair value of plan assets at year end	125.87	118.04
(C)	Reconciliation of obligation and fair value of assets		
	(1) Present value of the obligation at year end	219.85	172.44
	(2) Fair value of plan assets at year end	125.87	118.04
	(3) Funded status [surplus / (deficit)]	(93.98)	(54.40)
(D)	Expense recognised in the Statement of Profit and Loss		
	(1) Current service cost	24.75	24.43
	(2) Interest cost	12.73	11.69
	(3) Interest income on plan assets	(9.15)	(8.05)
	Net cost recognised in Profit or Loss	28.33	28.07
(E)	Recognised in Other Comprehensive Income		
	(1) Expected return on plan assets other than interest income	1.48	1.07
	(2) Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
	(3) Actuarial (gain) / loss arising from changes in financial assumptions	(4.48)	9.23
	(4) Actuarial (gain) / loss arising from changes in experience adjustments	30.81	(5.76)
	Net (gain)/ loss recognised in Other Comprehensive Income	27.81	4.54
(F)	Net Defined benefit liability/(Asset) Reconciliation		
	(1) Net Defined benefit liability/(Asset) at the beginning of the year	54.41	42.41
	(2) Defined benefit cost included in P/L	28.33	28.07
	(3) Total remeasurement included in OCI	27.81	4.53
	(4) Employers contribution	(16.56)	(20.60)
	Net Defined benefit liability/(Asset) at the end of the year	93.99	54.41

		(Rs. In Lacs)	
II	Maturity profile of defined benefit obligations:	2017-18	2016-17
	Year 1	15.55	13.62
	Year 2	72.57	-
	Year 3	120.18	2.11
	Year 4	64.41	14.27
	Year 5	24.76	3.25
	Year 6	82.98	3.11
	Year 7	117.62	12.09
	Year 8	85.74	2.51
	Year 9	34.12	3.74
	Year 10	43.53	117.74
	Total expected payments	661.46	172.44

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.52 Years (31st March,2017: 8.28 years).

The best estimate contribution for the Group during the next year would be Rs 55.61 lacs.

(31st March,2017: Rs. 50.09 lacs).

Amount payable upon discontinuance of all employment is INR 263.82lacs.

(31st March,2017: Rs. 206.90 lacs).

III	Experience Adjustments on Present Value of DBO and Plan Assets	2017-18	2016-17
	(Gain)/Loss on Plan Liabilities	30.81	(5.76)
	% of Opening Plan Liabilities	17.87%	-4.14%
	(Gain)/Loss on Plan Assets	1.48	1.07
	% of Opening Plan Assets	1.25%	1.11%

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

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

	2017-18	2016-17
Defined Benefit Obligation (Base)	219.85	172.44
(1) One percentage increase in discount rate	203.04	154.66
(2) One percentage decrease in discount rate	239.31	193.19
(3) One percentage increase in rate of salary escalation	238.79	192.00
(4) One percentage decrease in rate of salary escalation	203.06	154.97
(5) One percentage increase in rate of withdrawal rate	222.09	174.34

		Gratuity (Funded)	
		2017-18	2016-17
V	Actuarial Assumptions		
	(1) Discount rate	7.75%	7.50%
	(2) Mortality Rate	IALM (2006-08) Table	
	(3) Salary Escalation - First 5 years	6% p.a	6% p.a
	(4) Salary Escalation - After 5 years	6% p.a	6% p.a
	(5) Expected Rate of Return on Plan Assets	7.75%	7.50%
	(6) Disability Rate	5% of Mortality Rate	5% of Mortality Rate
	(7) Retirement Age	60 years	60 years
	(8) Average Future Service	21.97	23.03
	(9) Withdrawal rates , based on age: (per annum)		
	Up to 25 years	8.00%	8.00%
	26 - 30 years	7.00%	7.00%
	31 - 35 years	6.00%	6.00%
	36 - 40 years	5.00%	5.00%
	41 - 45 years	4.00%	4.00%
	46 - 50 years	3.00%	3.00%
	51 - 55 years	2.00%	2.00%
	Above 56 years	1.00%	1.00%

VI	Weighted average Asset allocation (as percentage of total plan assets)	2017-18	2016-17
	(1) Equities	-	-
	(2) Bonds	-	-
	(3) Gilts	-	-
	(4) Insurance Policies	100%	100%
	Total	100%	100%

40 Disclosures as required by Ind AS 108, Operating Segments**(a) Identification of Operating Segments:**

The Group Operate in a Single Reportable Operating Segment i.e. manufacturing and sale of PVC , XLPE, AF and EP Compound which have similar risk and returns and are of similar nature.

No other operating segments have been aggregated to form the above reportable operating segments as per the criteria specified in the Ind AS.

(b) Business Segment wise revenue/results/assets/liabilities

Since there is Single Reportable Operating Segment hence disclosure of Operating Segment wise Assets, Liabilities, Revenue and Results are not applicable.

(c) Geographical Information

		(Rs. In Lacs)	
		As at 31st March 2018	As at 31st March 2017
(i)	Segment revenue by location of Customers:		
	India	143,537.99	177,617.99
	Overseas	32,409.20	36,090.34
	Total	175,947.19	213,708.33
(ii)	Segment Assets by location (Property, Plant & Equipment, Investment Property & Other Intangible Assets)		
	India		
	East	6,805.65	4,791.68
	West	17,579.37	17,575.69
	Others	235.88	56.61
	Overseas	-	-
	Total	24,620.90	22,423.98

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

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

(f) Revenue from five customers is INR 19,471.97 (P.Y 23,386.18) lacs which is more than 10% of the total revenue of the Group.

41 (A) Related parties and their relationship with the Group :

(i) Key Management Personnel of the Group:	Mr. Narrindra Suranna Mr. Rajesh Kothari Mr. P.R.Mukherjee Mr. I.C Dakalia Ms. Tanvi Panday
(ii) Relative of Key Management Personnel	Mrs. Tara Devi Surana Mrs. Sarla Devi Surana Mr. Surendra Kumar Surana Mr. Dev Krishna Surana
(iii) Shareholder Holding more than 20% of Equity Shares of the Group	Sri Ram Financial Consultants Pvt Ltd.
(iv) Enterprises over which key management personnel are able to exercise significant influence with whom there were transactions during the year :	Bbigplas Poly Pvt. Ltd. Krishna Commodeals Pvt. Ltd. Inbara Holdings Pvt. Ltd. Shyambaba Trexim Pvt. Ltd.

**(B) Disclosure of transactions
with Related Parties**

Nature of transactions	Ref. to Note (A) above	(Rs. In Lacs)	
<u>Remuneration to KMP</u>		2017-18	2016-17
Mr. Narrindra Suranna	(i)	42.00	33.60
Mr. Rajesh Kothari	(i)	40.00	25.00
Mr. P.R.Mukherjee	(i)	18.00	18.00
Mr. I.C Dakalia	(i)	20.90	14.30
Ms. Tanvi Panday *	(i)	5.50	-
Mr. A.B Chakraborty **		1.93	11.56
		128.33	102.46

* Effective date of joining 1st June 2017. This remuneration is proportionate CTC for period of her service.

** Former Secretary of Kkalpana Industries (India) Ltd. resigned at w.e.f. 31st May 2017.

<u>Interest expense</u>			
Sri Ram Financial Consultants Pvt Ltd.	(iii)	74.75	74.75
Shyambaba Trexim Pvt. Ltd.	(iv)	35.67	34.83
Krishna Commodeals Pvt. Ltd.	(iv)	4.89	4.89
Inbara Holdings Pvt. Ltd.	(iv)	4.03	4.03
<u>Rent</u>			
Sri Ram Financial Consultants Pvt Ltd.	(iii)	76.56	2.00

Nature of transactions	Ref. to Note (A) above	(Rs. In Lacs)	
		As at 31st March 2018	As at 31st March 2017
<u>Loan taken & outstanding at year end</u>			
Sri Ram Financial Consultants Pvt Ltd.	(iii)	1,800.00	1,800.00
Shyambaba Trexim Pvt. Ltd.	(iv)	840.00	840.00
Krishna Commodeals Pvt. Ltd.	(iv)	115.00	115.00
Inbara Holdings Pvt. Ltd.	(iv)	95.00	95.00

42 Fair Value Measurement

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

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

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

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

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

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

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

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

(a) Disclosure for the year ended 31st March, 2018

	Carrying Value	Fair Value	(Rs. In Lacs) Fair Value heirarchy		
			Level 1	Level 2	Level 3
(1) Financial Assets					
Financial Assets at amortised cost					
Trade Receivables	32,968.15	32,968.15			32,968.15
Loans	-	-			-
Other Financial assets excluding derivative financial instruments	541.75	541.75			541.75
Cash & cash equivalents	1,697.50	1,697.50			1,697.50
	<u>35,207.40</u>	<u>35,207.40</u>			<u>35,207.40</u>
Financial Assets at fair value through profit or loss					
Derivative financial instruments	86.86	86.86		86.86	
	<u>86.86</u>	<u>86.86</u>	-	-	-
Assets for which fair values are disclosed					
Investment Property (Refer Note no. 6(b))	-	-			
Total	<u>35,294.26</u>	<u>35,294.26</u>	-	-	86.86 35,207.40
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from banks and financial institutions	22,431.18	22,431.18			22,431.18
Trade Payables	26,733.13	26,733.13			26,733.13
Other Financial liabilities excluding derivative financial instruments	1,026.92	1,026.92			1,026.92
Total	<u>50,191.23</u>	<u>50,191.23</u>			<u>50,191.23</u>

(b) Disclosure for the year ended 31st March, 2017

	Carrying Value	Fair Value	Fair Value heirarchy		
			Level 1	Level 2	Level 3
(1) Financial Assets at amortised cost					
Trade Receivables	33,975.34	33,975.34			33,975.34
Loans	-	-			-
Other Financial assets excluding derivative financial instruments	966.00	966.00			966.00
Cash & cash equivalents	1,581.77	1,581.77			1,581.77
	<u>36,523.11</u>	<u>36,523.11</u>			<u>36,523.11</u>
Financial Assets at fair value through profit or loss					
Derivative financial instruments					
Investment in Equity shares	0.01	0.01	0.01		
Total	<u>36,523.12</u>	<u>36,523.12</u>	<u>0.01</u>		<u>36,523.11</u>
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from banks and financial institutions	35,105.06	35,105.06			35,105.06
Trade Payables	14,731.12	14,731.12			14,731.12
Other Financial liabilities excluding derivative financial instruments	1,286.66	1,286.66			1,286.66
Total	<u>51,122.84</u>	<u>51,122.84</u>			<u>51,122.84</u>

(c) Disclosure for the year ended 1st April, 2016

(Rs. In Lacs)

	Carrying Value	Fair Value	Fair Value hierarchy		
			Level 1	Level 2	Level 3
(1) Financial Assets at amortised cost					
Trade Receivables	36,284.40	36,284.40			36,284.40
Loans	32.28	32.28			32.28
Other Financial assets excluding derivative financial instruments	2,102.16	2,102.16			2,102.16
Cash & cash equivalents	1,879.70	1,879.70			1,879.70
	<u>40,298.54</u>	<u>40,298.54</u>			<u>40,298.54</u>
Financial Assets at fair value through profit or loss					
Derivative financial instruments	-	-			
Investment in Equity shares	-	-			
Total	<u>40,298.54</u>	<u>40,298.54</u>			<u>40,298.54</u>
(2) Financial Liability					
Financial Liabilities at amortised cost					
Borrowings from banks and financial institutions	34,759.09	34,759.09			34,759.09
Trade Payables	13,394.16	13,394.16			13,394.16
Other Financial liabilities excluding derivative financial instruments	1,126.19	1,126.19			1,126.19
Total	<u>49,279.44</u>	<u>49,279.44</u>			<u>49,279.44</u>

(d) Description of significant unobservable inputs to valuation:

Financial Asset/ Liability	Valuation Technique	Significant unobservable input
Trade Receivables	ECL	Realisation pattern or past experience
Loans	DCF using EIR method	Discount rate
Other Financial assets excluding derivative financial instruments	DCF using EIR method	Discount rate
Borrowings from banks and financial institutions	DCF using EIR method	Discount rate

43 Financial Risk Management Objective and Policies:

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

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

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

(a) Market Risk

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

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

(i) Interest rate risk

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

Interest rate sensitivity

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

	2017-18 (+/-) 50 Basis Points	2016-17 (+/-) 50 Basis Points
Effect on profit before tax due to interest rate sensitivity	91.43	110.49

(ii) Foreign currency risk

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

Foreign Currency Exposure	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Foreign Currency	Functional Currency (Rs. in Lacs)	Foreign Currency	Functional Currency (Rs. in Lacs)	Foreign Currency	Functional Currency (Rs. in Lacs)
I Hedged						
Forward contracts for imports	USD	5,550,000.00	3,609.72			
Forward contracts for exports	USD	4,000,000.00	2,601.60			
Term loan	USD	-	-	1,781,250.00	1,022.00	6,531,250.00
					6,531,250.00	3,821.00

Foreign Currency Exposure	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Foreign Currency	Functional Currency (Rs. in Lacs)	Foreign Currency	Functional Currency (Rs. in Lacs)	Foreign Currency	Functional Currency (Rs. in Lacs)
II Not hedged						
Trade receivables	USD 3,446,684.83	2,241.72	5,055,468.00	3,278.00	6,224,503.00	4,129.00
	URO 2,826,250.38	2,278.52	1,597,653.00	1,104.00	390,600.00	293.00
Trade payables	USD 2,780,438.10	1,808.40	3,544,350.0	2,298.00	7,878,322.00	5,226.00
	EURO 405,075.00	326.57	175,693.00	121.00	87,876.00	66.00
Cash & bank balance						
Foreign currency loan	USD 3,615,852.30	2,350.74	11,666,399.29	7,564.33	12,768,415.20	8,469.66
availed under buyers' credit						

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of unhedged monetary assets and liabilities.

	(Rs. in lacs)	
	2017-18 (+/-) 5%	2016-17 (+/-) 5%
Effect on profit before tax		
USD	(95.92)	(334.31)
Euro	97.60	49.24
	1.68	(285.08)

Derivative Financial Instrument

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

	As at 31st March, 2018		As at 31st March, 2017	
	In USD	Fair Value as on 31.03.2018	In USD	Fair Value as on 31.03.2018
Derivatives not designated as hedges				
Forward Contracts	5,550,000.00	64.74		
Option Contracts	4,000,000.00	22.12	781,250.00	-

(iii) Commodity price risk

Principal Raw Material for Group's products is variety of plastic polymers which are primarily Derivatives of Crude Oil. Group sources its raw material requirement from across the globe. Domestic market prices are also generally remains in sync with international market price scenario. Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand-supply scenario in the world market affect the effective price and availability of polymers for the Group. Group effectively manages with availability of material as well as price volatility through:

1. Widening its sourcing base
2. Appropriate contracts and commitments
3. Well planned procurement & inventory strategy and
4. Prudent hedging policy on foreign currency exposure

Risk committee of the Group comprising members from Board of Directors and operations has developed and enacted a risk management strategy regarding commodity Price risk and its mitigation.

(b) Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

(i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

The ageing analysis of the receivables (gross of provisions) have been considered from the date of the invoice falls due.

	(Rs in Lacs)	
	As at 31st March, 2018	As at 31st March, 2017
Less than 6 months	32,804.98	33,574.04
6 to 12 months	107.56	222.50
more than 12 months	55.61	178.80
Total	32,968.15	33,975.34

(ii) Financial Instruments and Cash and bank balances

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Credit limits of all authorities are reviewed by the Management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to these entities.

(c) Liquidity Risk

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

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

	(Rs in Lacs)			
	Less than 1 year	1 to 5 years	> 5 years	Total
31st March, 2018				
Borrowings				
Term Loans from Banks	1,501.58	4,626.23	-	6,127.81
Long Term Loans from Others	-	1,862.27	-	1,862.27
Cash credit from Banks	12,090.36	-	-	12,090.36
	-	-	-	-
Buyers credit from Banks	2,350.74	-	-	2,350.74
	-	-	-	-
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,026.93	-	-	1,026.93
Trade Payables	26,733.13	-	-	26,733.13
	43,702.74	6,488.50	-	50,191.24
31st March, 2017				
Borrowings				
Term Loans from Banks	1,870.36	4,964.58	-	6,834.94
Long Term Loans from Others	-	1,686.37	-	1,686.37
Cash credit from Banks	19,019.43	-	-	19,019.43
	-	-	-	-
Buyers credit from Banks	7,564.33	-	-	7,564.33
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,286.65	-	-	1,286.65
Trade Payables	14,731.13	-	-	14,731.13
	44,471.90	6,650.95	-	51,122.85

(Rs in Lacs)

1st April, 2016	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings				
Term Loans from Banks	3,000.15	3,993.65	-	6,993.80
Long Term Loans from Others	-	1,560.28	-	1,560.28
Cash credit from Banks	17,735.34	-	-	17,735.34
Buyers credit from Banks	8,469.66	-	-	8,469.66
Other Financial Liabilities other than current maturities of borrowings and lease obligation	1,126.20	-	-	1,126.20
Trade Payables	13,394.16	-	-	13,394.16
	<u>43,725.51</u>	<u>5,553.93</u>	<u>-</u>	<u>49,279.44</u>

44 Capital Management:

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

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

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

	(Rs in Lacs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Borrowings	22,431.18	35,105.06	34,759.08
Less: Current investments	-	-	-
Less: Cash and cash equivalents	1,697.50	1,581.77	1,879.70
(a) Net Debt	20,733.68	33,523.29	32,879.38
(b) Equity	29,439.10	27,430.37	24,567.48
(c) Equity and Net Debt (a+b)	50,172.78	60,953.66	57,446.86
Gearing Ratio (a/c)	41.32%	55.00%	57.23%

B. Proposed Dividend

The Board of directors in its Board meeting held on 30th May 2018 have recommended the payment of a final dividend of Rs 0.24 paise per fully paid up equity share (March 31, 2017 - Rs NIL), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

		(Rs in Lacs)	
45 Earning per share (EPS)		2017-18	2016-17
(a) Face value of equity shares	Rs.	2.00	2.00
(b) Profit attributable to equity shareholders	Rs. In Lacs	2,044.38	2,605.50
(c) Weighted average number of equity shares outstanding	Nos.	94,072,930.00	94,072,930.00
(d) Weighted average earning per share (basic and diluted)	Rs.	2.33	2.79

46 Research & Development Expenses

The Group has in-house R&D centre. The details of revenue/capital expenditure incurred by the said R&D Centre during the year are as follows:-

	2017-18	2016-17
(a) Revenue expenditure charged to Statement of Profit and Loss	16.08	13.83
(b) Capital expenditure shown under fixed assets schedule	102.17	204.89
Grand Total	118.26	218.72

47 Assets Pledged as Security

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

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current			
Financial Assets			
<i>First Pari Passu Charge</i>			
Trade Receivables	33,113.05	33,975.34	36,284.40
Other Current Assets	7,585.09	4,413.93	6,144.46
<i>Floating Charge</i>			
Cash and Cash Equivalant	1,687.84	1,558.85	1,879.70
Non Financial Assets			
<i>First Charge</i>			
Inventories	15,543.90	17,356.32	10,007.89
Total Current Assets Pledged as Security	57,929.87	57,304.43	54,316.44
Non Current			
<i>Exclusive Charge</i>			
Imovable properties located at Bhasa Unit.	131.99	131.99	131.99
<i>First Pari Passu Charge</i>			
Movable and immovable properties located at Surangi Unit	14,220.24	15,089.10	15,221.11
Movable and immovable properties located at Daman Unit	1,645.17	769.71	450.47
Movable and immovable properties located at Silvassa Unit	1,511.87	1,519.97	1,453.49
Movable and immovable properties located at Bhasa Unit	631.70	938.77	1,012.13
Total Non Current Assets Pledged as Security	18,140.97	18,449.54	18,269.19

48 VALUE OF IMPORTED AND INDEGENEOUS MATERIAL CONSUMED

Particulars	Rs in Lacs			
	As at 31st March 2018	%age of Total Consumption	As at 31st March 2017	%age of Total Consumption
Raw Materials				
i Imported	65,565.20	44%	89,617.49	52%
ii Indegeneos	82,379.26	55%	82,937.66	48%
Total	147,944.46	100%	172,555.15	100%
Store, Spare parts and Components				
i Imported	149.02	35%	61.58	44%
ii Indegeneous	277.65	65%	75.26	56%
Total	426.67	100%	136.84	100%

49 VALUE OF IMPORTS ON CIF BASIS

Particulars	As at March 31st, 2018	As at March 31st, 2017
Raw Materials	60,564.17	83,608.27
Stors, Spare parts and Components	150.51	124.07
Capital Goods	140.31	1,293.92
Total	60,854.99	85,026.26

50 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

	As at March 31st, 2018	As at March 31st, 2017
Exports at FOB Value	32,409.20	36,090.34
Total	32,409.20	36,090.34

51 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	As at March 31st, 2018	As at March 31st, 2017
Travelling	11.69	18.17
Exhibition	12.99	77.59
Interest	112.46	314.70
Other Matters	5.73	63.31
Total	142.87	473.77

52 Additional Information as stated under Schedule III of Companies Act 2013

Name of the Entity	Net Assets (i.e Total Assets - Total Liabilities)			Share in Profit and Loss		Amount (Rs. In Lacs)
Particulars	Net Assets (Rs. In Lacs)	As a %age of Net Assets	Amount (Rs. In Lacs)	PAT	As a % age of Profit or Loss	
Kkalpana Plastick Limited- Associate Company	659.77	36.23%	239.03	11.95	36.23%	4.33
Plastic Processors and Exporter Pvt Ltd - Subsidiary	(442.56)	90.00%	(398.30)	(423.98)	90.00%	(381.58)

53 (A) Reconciliation of Equity as at 31st March, 2016

	Note no.	IGAAP As at 1st April, 2016	IndAS Adjustment	IndAS As at 1st April, 2016
A ASSETS				
1 Non-current Assets				
Property, Plant and Equipment	1	20,577.53	(1,281.68)	19,295.85
Capital Work-in-Progress		373.31	-	373.31
Investment Property	1	-	1,281.68	1,281.68
Other Intangible Assets		25.01	-	25.01
Financial Assets		-	-	-
(i) Investments	2	314.54	(60.62)	253.92
(ii) Loans		-	-	-
(iii) Other Financial Assets	3	925.66	(3.28)	922.38
Other Non-Current Assets	3	339.68	3.16	342.84
Income Tax Assets (Net)		-	-	-
		<u>22,555.73</u>	<u>(60.74)</u>	<u>22,494.99</u>
2 Current Assets				
Inventories		10,007.88	-	10,007.88
Financial Assets				
(i) Trade Receivables	4	37,382.77	(1,098.37)	36,284.40
(ii) Cash & Cash Equivalents		1,879.70	-	1,879.70
(iii) Loans		32.28	-	32.28
(iv) Other Financial Assets		1,179.78	-	1,179.78
Other Current Assets		4,932.35	0.05	4,932.40
		<u>55,414.76</u>	<u>(1,098.32)</u>	<u>54,316.44</u>
Total		<u>77,970.49</u>	<u>(1,159.06)</u>	<u>76,811.43</u>
B EQUITY & LIABILITIES				
1 Equity				
Equity Share Capital		1,881.46	-	1,881.46
Other Equity	5	22,500.87	185.15	22,686.02
		<u>24,382.33</u>	<u>185.15</u>	<u>24,567.48</u>
2 Non Current Liabilities				
Financial Liabilities				
(i) Borrowings	6	6,996.29	(1,442.35)	5,553.94
(ii) Other Financial Liabilities		42.41	-	42.41
Provisions		2,073.37	98.18	2,171.55
Deferred Tax Liabilities (net)	7	<u>9,112.07</u>	<u>(1,344.17)</u>	<u>7,767.90</u>

3 Current Liabilities		Rs in Lacs	
Financial Liabilities			
(i)	Borrowings	26,205.00	- 26,205.00
(ii)	Trade Payables	13,394.16	- 13,394.16
(iii)	Other Financial Liabilities	4,126.34	- 4,126.34
Other Current Liabilities		180.27	- 180.27
Provisions		146.84	- 146.84
Current Tax Liabilities (net)		423.44	- 423.44
		<u>44,476.05</u>	<u>- 44,476.05</u>
Total		<u>77,970.45</u>	<u>(1,159.02) 76,811.43</u>

(B) Reconciliation of Equity as at 31st March, 2017

	Note no.	IGAAP As at 31st March 2017	IndAS Adjustment	Ind AS As at 31st March 2017
A ASSETS				
1 Non-current Assets				
Property, Plant and Equipment	1	22,403.29	(1,281.68)	21,121.61
Capital Work-in-Progress		1,401.00	-	1,401.00
Investment Property	1	-	1,281.68	1,281.68
Goodwill		49.60	-	49.60
Other Intangible Assets		20.69	-	20.69
Financial Assets		-	-	-
(i) Investments	2	288.01	(53.29)	234.72
(ii) Loans		-	-	-
(iii) Other Financial Assets	3	810.58	(113.30)	697.28
Other Non-Current Assets	3	(163.14)	341.50	178.36
		<u>24,810.03</u>	<u>174.91</u>	<u>24,984.94</u>
2 Current Assets				
Inventories		17,356.32	-	17,356.32
Financial Assets				
(i) Investments				
(ii) Trade Receivables	4	34,970.70	(995.36)	33,975.34
(iii) Cash & Cash Equivalents		1,581.77	-	1,581.77
(iv) Loans		-	-	-
(v) Other Financial Assets		158.42	110.30	268.72
Other Current Assets	3	4,070.84	0.84	4,071.68
		<u>58,138.05</u>	<u>(884.22)</u>	<u>57,253.83</u>
Total		<u>82,948.08</u>	<u>(709.31)</u>	<u>82,238.77</u>
B EQUITY & LIABILITIES				
1 Equity				
Equity Share Capital		1,881.46	-	1,881.46
Other Equity	5	25,314.61	236.16	25,550.77
		<u>27,196.07</u>	<u>236.16</u>	<u>27,432.23</u>
Non Controlling Interest		(1.86)	-	(1.86)
2 Non Current Liabilities				
Financial Liabilities				
(i) Borrowings	6	8,109.13	(1,458.19)	6,650.94
Provisions		54.41	-	54.41
Deferred Tax Liabilities (net)	7	2,408.36	37.60	2,445.96
		<u>10,571.90</u>	<u>(1,420.59)</u>	<u>9,151.31</u>

3 Current Liabilities

Rs in Lacs

Financial Liabilities				
(i) Borrowings	26,583.76	-		26,583.76
(ii) Trade Payables	14,731.12	-		14,731.12
(iii) Other Financial Liabilities	2,681.93	475.09		3,157.02
Other Current Liabilities	311.85	-		311.85
Provisions	167.97	-		167.97
Current Tax Liabilities (net)	705.37	-		705.37
	45,182.00	475.09		45,657.09
Total	82,948.11	(709.34)		82,238.77

(C) Reconciliation of profit or loss for the year ended 31 March, 2017

	Note no.	IGAAP 2016-17	IndAS Adjustment	IndAS 2016-17
I INCOME				
Revenue from Operations	8	195,485.72	18,222.61	213,708.33
Other Income	9	1,080.19	1.47	1,081.66
Total Income		196,565.91	18,224.08	214,789.99
II EXPENSES				
Cost of Materials Consumed		172,555.15	-	172,555.15
Purchase of Stock-in-Trade		-	-	-
Changes in Inventories of Finished Goods & Work-in-Progress		497.09	-	497.09
& Stock-in-Trade		-	-	-
Excise Duty		-	18,699.98	18,699.98
Employee Benefits Expense	10	2,216.36	(4.53)	2,211.83
Finance Costs	11	5,278.67	119.83	5,398.50
Depreciation & Amortization Expense	12	1,314.60	0.19	1,314.79
Other Expenses	13	10,970.43	(586.17)	10,384.26
Total Expenses		192,832.30	18,229.30	211,061.60
III PROFIT BEFORE SHARE OF PROFIT/(LOSS) FROM INVESTMENT IN ASSOCIATE AND TAX		3,733.61	(5.22)	3,728.39
IV SHARE OF PROFIT/(LOSS) OF ASSOCIATE		(19.21)	-	(19.21)
V PROFIT BEFORE TAX		3,714.40	(5.22)	3,709.18
Tax expense				
Current tax		826.41	-	826.41
Tax for Previous Year		-	-	-
Deferred tax	7	336.61	(59.00)	277.61
Total Tax expense		1,163.02	(59.00)	1,104.02
VI PROFIT FOR THE YEAR AFTER TAX		2,551.38	53.78	2,605.16
VII OTHER COMPREHENSIVE INCOME				
i Items that will not be classified to profit and loss	14	-	(4.54)	(4.54)
ii Income tax relating to items that will not be classified to profit and loss	14	-	1.57	1.57
Total Other Comprehensive Income For The Year		-	(2.97)	(2.97)
VII TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX		2,551.38	50.81	2,602.19

(D) Notes to the Reconciliation**1. Property Plant & Equipment**

The Group has elected to measure all its Property, Plant and Equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016. However, the Group has identified and reclassified Land at West Bengal amounting Rs 1281.67 Lacs immovable properties as Investment Properties on the date of transition i.e. 1st April, 2016 on the basis of currently undermined future use and the same has been adjusted accordingly on the 1st April 2015 & 31st March 2016.

2. Non Current Investments

The Group holds certain investments in Quoted Equity shares as well as unquoted equity shares. As per IND AS 109, these investments are to be measured at Fair value through profit & loss. Loss at the time of transition of Rs. 60.22 lacs is recognised in retained earnings and subsequent gain of Rs. 135.10 only is recognised in statement of profit and loss. Also investment amounting to Rs 7.32 lacs has been written back in the statement of profit and loss in the financial year 2016-17 as the same has been written off as on the transition date.

The Group also holds certain Investments in Government and trust securities such as Kisan Vikas Patra, National Saving Certificate etc. The Group has no expectations of recovering such investment in its entirety such investment has been written off and adjusted with Retained earnings amounting to Rs 0.40 lacs.

3 Other Non Current Financial Assets/ Non Current Assets & Current Assets

The Group has recognized the present value of security deposit receivable as on the transition date due to which Rs. 3.20 lacs has been de-recognised from the security deposit receivable and Prepaid Rent of the same amount has been recognised. In the financial year 2016-17 Rs. 0.96 Lacs has been de-recognised from the security deposit receivable and Prepaid Rent of the same amount has been recognised. Subsequent to the date of transition to IND AS interest income has been recognised by increasing the security deposit receivable on account of discounting factor and also prepaid rent would be subsequently expensed off over the life of such security deposits, accordingly 0.76 lacs has been expensed off and Rs. 0.71 lacs has been recognised as interest income in Retained earnings as on transition date. Subsequently in the financial year 2016-17 Rs. 1.51 lacs of rent has been expensed off and Rs. 1.46 lacs has been recognised as interest income in Retained earnings. Prepaid portion of Security deposit has also been further sub classified as Current , Non - Current based on realisation criteria.

4 Current Trade Receivables

The Group has applied practical expediency in calculation of the expected credit losses on trade receivables by using the provision matrix for each business segment as detailed in Note No. 13 of notes to the financial statements. Outstanding balance of provision as at 31st March, 2017: Rs.9.95 crores and as at 1st March, 2016: Rs.10.98 Crore.

5 Other Equity

The adjustments pertaining to opening balance sheet at the time of transition to Ind AS are adjusted into retained earnings and subsequently , the adjustments are made into Profit or Loss or Other Comprehensive Income as prescribed under Ind AS.

	Rs in Lacs	
	As at 31st March, 2017 (Adjusted through P/L)	As at 1st April, 2016 (Adjusted through Retained Earnings)
(i) Investment written off	-	(0.40)
(ii) Fair Valuation of Investment through P/L	0.00	(60.22)
(iii) Amortisation of transaction cost	39.19	38.00
(iv) Unwinding of Interest due to Present Value of Security Deposit	1.46	0.71
(v) Notional Rent on security deposit	(1.51)	(0.77)
(vi) Deferred tax impact	60.57	(98.18)
(vii) Fair Valuation of Unsecured loan	(159.02)	1,404.36
(viii) Provision for Doubtful debt	103.01	(1,098.37)
(ix) Investment written back	7.32	-
	<u>51.02</u>	<u>185.13</u>

6 Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings were amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and subsequently charged to profit or loss using the effective interest method. Accordingly as on the transition date, processing fees of Rs. 38.00 lacs has been included in the initial recognition amount of the borrowings by crediting Retain earnings. In the subsequent year 2016-17 processing fees of Rs. 49.07 Lacs has further been included in the initial recognition amount of borrowings by subsequently crediting Profit & loss account and Rs. 9.89 Lacs has been debited to Profit & Loss a/c on account of amortisation of processing fees.

The Group has taken unsecured loan from related parties at lower interest rate and the same has been measured at amortised cost using present value technique considering interest rate prevailing in market. Accordingly Rs. 14.04 crores has been credited to Retain earnings on account of fair valuation as on transition date and subsequently Rs. 1.59 crores has been debited to profit & Loss on account of interest provision on such unsecured loan.

7 Deferred Tax Liability/Asset

Indian GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. On the date of transition, the net impact on deferred tax liabilities of Rs.98.18 lacs has been recognised in retained earnings and for the year ended 31st March 2017, deferred tax liability reversal of Rs.60.57 lacs has been recognised in statement of profit and loss.

8 Sale of Goods

Under IND AS volume discount are to be netted off from sale of product which was accounted as expense under Indian GAAP. Hence sale of product is reduced by Rs. 477.36 lacs for the period ended 31st March 2017. Under Indian GAAP sale of goods was presented as net of excise duty. However under INDAS sale of goods include excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit & loss. Accordingly sale of goods under INDAS for the year ended 31st march 2017 has increased by 18699.98 lacs.

9 Other Income

	2016-17
Unwinding of Interest due to Present Value of Security Deposit	1.46
	1.46

10 Employee Benefit Expenses

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in the balance sheet through OCI. Thus the employee benefit expense is reduced by Rs.4.53 Lacs and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

11 Finance Cost

	2016-17
(i) Amortisation of transaction cost of borrowings	9.89
(ii) Reversal of transaction cost debited in P/L as per IGAAP	(49.08)
(ii) Unwinding of interest in respect to Unsecured loan at lower interest rate	159.02
	119.83

12 Depreciation and amortisation expense

	2016-17
(i) Depreciation on Revaluation Reserve reversed	(0.19)
	(0.19)

13 Other Expenses

	2016-17
(i) Fair valuation of Investment through P/L	-
(ii) Notional Rent on Security Deposit	1.51
(iii) Investment written back	(7.32)
(iv) Provision for Doubtful debt	(103.01)
(v) Discount allowed netted off with Revenue	(477.36)
	(586.18)

14 Other Comprehensive Income

(i) Remeasurement of defined benefits plans

2016-17
(4.53)
(4.53)

(E) There is no material impact on the Statement of Cash Flows due to the transition from previous GAAP to Ind AS.

54 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounts Standards) Amendment Rules, 2018 has notified the following amendments to Ind AS viz. Ind AS 115- Revenue from contracts with Customers, Ind AS-21- The effect of changes in Foreign Exchange Rates, Ind AS 12 - Income Taxes, Ind AS 40 - Investment Property & Ind AS 28 - Investments in Associates and Joint Ventures which the Company has not applied as they are effective for annual periods beginning on or after 1st April, 2018.

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

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No.: 302096E

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN: 00060127)

Chairman and Managing Director

Rajesh Kothari

(DIN: 02168932)

Whole Time Director

B. Mukherjee

Partner

Membership No. 002941

Date: 30.05.2018

Place: Kolkata

Tanvi Panday

(Membership No. ACS 31176)

Company Secretary

Indar Chand Dakalia

Chief Financial Officer



KEMA		TIC 1002-14	
TYPE TEST CERTIFICATE OF COMPLETE TYPE TESTS			
OBJECT	Single-core power cable		
TYPE	A2X5(FL)2Y		
	Rated voltage, U_0/U (U ₀)	18/30 (36) kV	Conductor material AL
	Conductor cross-section	1x185 mm ²	Insulation material XLPE
MANUFACTURER	FKN DOOEL, Negotino, Macedonia		
CLIENT	FKN DOOEL, Negotino, Macedonia		
TESTED BY	KEMA Nederland B.V., Arnhem, The Netherlands		
DATE(S) OF TESTS	13 January to 27 February 2014		
The object, constructed in accordance with the description, drawings and photographs incorporated in this Certificate, has been subjected to the series of proving tests in accordance with IEC 60502-2 (2005).			
This Type Test Certificate has been issued by KEMA following exclusively the STL Guides.			
The results are shown in the record of Proving Tests and the oscillograms attached hereto. The values obtained and the general performance are considered to comply with the above Standard and to justify the ratings assigned by the manufacturer as listed on page 4.			
This Certificate applies only to the object tested. The responsibility for conformity of any object having the same type references as that listed rests with the manufacturer.			
This Certificate consists of 38 pages in total.			
Copyright: Only integral reproduction of this Certificate is permitted without written permission from KEMA. Electronic copies in e.g. PDF-format or scanned version of this Certificate may be available and have the status "for information only". The signed and bound version of the Certificate is the only valid version.			
KEMA Nederland B.V. S.A.M. Verhoeven Director Testing, Inspections & Certification The Netherlands Arnhem, 26 March 2014			

KEMA		TIC 1002-14	
Insulation			
material	XLPE		
nominal thickness	8.0 mm		
material designation	KI-XL-B503		
manufacturer of the material	Kalpena Industries Limited-India		
Conductor screen			
material	Semi-conducting XLPE		
nominal thickness	0.6 mm		
material designation	KI-XLC-09		
manufacturer of the material	Kalpena Industries Limited-India		
Insulation (core) screen			
material	Semi-conducting XLPE		
strippable	No		
nominal thickness	0.7 mm		
material designation	KI-XLC-09		
manufacturer of the material	Kalpena Industries Limited-India		
Metal foil or tape, longitudinally applied, bonded to the oversheath			
material	Aluminum		
nominal thickness	0.3 mm		
Oversheath			
material	PE, type ST		
nominal thickness	3.0 mm		
nominal overall diameter of the cable (D)	44.5 mm		
material designation	KT-BSC-0366		
manufacturer of the material	Kalpena Industries Limited-India		
colour	Black		
graphite coating applied	No		
Fire retardant (according to IEC 60332-1)			
No			
Manufacturing details insulation system			
location of manufacturing	Negotino, Macedonia		
type of extrusion line	CCV		
type of extrusion	Triple common extrusion		
factory identification of extrusion line	130199		
manufacturer of the extrusion line	Royle Systems Group		
curing means	Dry cure (nitrogen)		
cooling means	Water		
manufacturing length (where cable sample for testing has been taken from)	3000 m		
length markings on cable sample sent to KEMA	Begin: 0088 m, end: 0146m		

BOOK POST



If undelivered, please return to :

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(Formerly : Kalpena Industries Limited)

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