

Textual information (3)

Disclosure of significant accounting policies [Text Block]

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2018

1. CORPORATE INFORMATION

MK Aromatics Limited (the 'company') Incorporated under Indian Companies Act 1956. The Address of its registered office and Principal place of business is Plot No.43-47, SIDCO Industrial Estate Alathur, Tamil Nadu – 603110. The principal activity of the Company is Hydrocarbon derivative, Aromatics chemicals

2. Application of new and revised Ind AS

The company has applied all the relevant Ind AS as notified by the MCA.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of Financial Statements:

The financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under historical cost convention, on accrual basis. As per Rule 7 of the companies (Account) Rules 2014, the standards of Accounting as specified under the Companies Act, 1956 shall be deemed to be the Accounting standards until accounting standards are specified by the central Government under section 133 of the Companies Act, 2013. Consequently, these Financial statements have been prepared to comply in all material aspects with the Accounting standards notified under section 211(3c) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006], the relevant provisions of the Companies Act, 2013. The accounting policies applied by the company are consistent with those applied in the previous year except as otherwise stated elsewhere.

All assets and Liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in schedule III of the Companies Act, 2013.

3.2 Use of estimates:

The Preparation of the financial statements requires the management to make Estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognized in the periods in which the results are known/materialized. Any revision to the accounting estimates is recognized prospectively in the current and future accounting years.

3.3 Fixed Assets, Depreciations / Amortisation and Impairment:

Fixed Assets

Tangible fixed assets are carried at cost, net of accumulated depreciation and Accumulated impairment losses, if any. Cost comprises of the cost of acquisition and directly attributable cost of bringing the asset to its working condition for its Intended use. Borrowing costs relating to acquisition of fixed asstes, which take substantial period of time to get ready for their intended use, are also capitalized to the extent they relate to the period till such assets are ready to put to use.

3.4 Depreciation and amortization:

Depreciation on tangible assets have been provided on Written-down Value method At the rates and in the manner followed during the preceding years and pro-rata basis of the assets acquired / disposed during the year.

3.5 Impairment:

The carrying of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. An impairment Loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

3.6 Work in Progress

The stock of sores, spares and goods is valued at cost (weighted average basis), or net Realizable value whichever is lower.

Works-in-Progress is valued at cost or market value, whichever is lower and wherever the land is acquired by the company, the cost of land also included in the Works in progress. In the case of joint Development, the cost of materials and services consumed along is considered in valuing the Works in progress.

3.7 Borrowing Costs:

Borrowing costs relating to the acquisition / construction for their intended use are Charged to statement of profit and loss as expenses in the period in which they incurred.

3.8 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

3.9 Revenue Recognition:

The Company follows the percentage completion method, based on the stage of completion At the balance sheet date as per Accounting Standard 7 and profit so determined has been accounted for proportionate to the percentage of the actual work done.

Revenue is recognized as follows:

- (i) Revenue from Sale of finished properties/buildings is recognized on transfer of property and once significant risks and rewards of ownership have been transferred to the buyers.
- (ii) Revenue from sale of incomplete properties is recognized on the basis of Percentage of completion method, determined on the basis of physical Proportion of the work completed as certified by technical Certification.

(iii) Other revenues/incomes and costs/expenditure are generally accounted on accrual as they are earned or incurred.

3.10 Foreign currency transactions

No foreign currency transactions took place during the year.

3.11 Government grants, subsidies and export incentives :

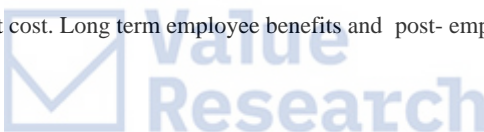
No grants, subsidies, and incentives availed.

3.12 Investments:

No investments made except Fixed deposits with banks for long term are classified as non-current investments. No foreign investments made.

3.13 Employee Benefits

Short term employee benefits are measured at cost. Long term employee benefits and post-employment benefits such as reviewed and provided at each balance sheet date.



3.14 Employee share based payments

The company has not yet formulated Employee Stock Option Scheme (ESOS) in accordance with the SEBI Guidelines, 1999.

3.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of the Equity shares outstanding during the year. Diluted earnings per share is computed by Dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, If any) as adjusted for dividend, interest and other charges to expenses or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity Shares would decrease the net profit per share from continuing ordinary operations.

3.16 Taxes on income:

Provision for income Tax is made as per the applicable rules under the Income-tax Act, 1961. Income tax expense represents the sum of the tax currently payable. The tax currently is based on taxable profit for the year. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance sheet date.

3.17 Secured Loans:

a. Secured Loans in the nature of Term Loan from Indian Overseas Bank is secured by deposit of title deeds of project land, properties belong to Directors / relatives to the Directors and by personal guarantee of Directors /relatives to the Directors.

b. Secured Loans in the nature of Term Loan from Karur Vysya Bank is secured by deposit of title deeds of project land, properties belong to Directors /relatives to the Directors and by personal guarantee of Directors / relatives to the Directors.

c. Vehicle Loans from HDFC Bank and Indian Overseas Bank are secured by hypothecation Of the following Vehicles: Audi A4 and Honda Jazz.

3.18 Preliminary and Public Issue Expenses : NIL

3.19 Segment Reporting:

Based on the risks and returns associated with business operation and in terms of Accounting Standard 17 (segment Reporting), the company is predominantly engaged in a single reportable segment. Hence Segment Reporting is not applicable.

3.20 Contingent Liabilities:

Contingent Liabilities : Nil



3.21 Due to SSI's:

As at March 31, 2018 the company has no outstanding dues to micro Enterprises, Small Enterprises and Small Scale Industrial Undertakings.

3.22 Unclaimed Dividend :

There is no pending outstanding dividend.

3.23 Confirmation from Sundry Debtors, Creditors, Loans and Advances:

Confirmation of balances from Sundry Debtors, Creditors and Loans and advances are yet to be received in some cases though the company has sent letters for confirmation by them. The balances adopted are as appearing in the books of accounts of the Company.

For and On behalf of the Board of Directors

As per my Report

| | | |
|-------------------|----------|-----------------------|
| Managing Director | Director | B. Ravi Kumar |
| Chennai | | Chartered Accountant |
| Date : 27.08.2018 | | Membership No. 206333 |

[610200] Notes - Corporate information and statement of IndAs compliance

Unless otherwise specified, all monetary values are in INR

| | 01/04/2017 to 31/03/2018 | 01/04/2016 to 31/03/2017 |
|---|---|---|
| Disclosure of corporate information notes and other explanatory information [TextBlock] | | |
| Statement of Ind AS compliance [TextBlock] | As per notes | as per notes |
| Whether there is any departure from Ind AS | No | No |
| Whether there are reclassifications to comparative amounts | No | No |
| Disclosure of significant accounting policies [TextBlock] | Textual information (4) [See below] | |

