Notes to the Financial Statements for the year ended March 31, 2021

NOTE 30: Exceptional Item

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Imairment of Intangible Assets	1.70	-
Imairment / write-off of PPE	4.67	-
Written off of Inventories	83.57	-
Written off of Trade Receivables	1,649.93	-
Written off of Other Current Assets	348.62	-
Written back of Trade Payables	(3,412.87)	-
Written back of Loans & Interest thereon	(3,698.09)	-
Written back of Other Cureent & Non-current Liabilities	(511.27)	-
CIRP Cost	61.91	-
Plant Startup expenses	88.31	
Loss due to theft in Plant & Machinery	41.48	-
Loss / (Profit) on Sale of Fixed Assets	-	(1.52)
	(5,342.03)	**(1.52)**

Accompanying notes to the financial statements

NOTE 31: Note on CIRP Process

A. A petition has been filed by Operational Creditor of the Company before the National Company Law Tribunal at Ahmedabad Bench, for initiating Corporate Insolvency Resolution Process ("CIRP") against the Company under the provisions of Insolvency and Bankruptcy Code 2016. The referred petition has been admitted by the Hon'ble NCLT Bench of Ahmedabad on May 02, 2019 and appointed Mr. Vikas G. Jain as Resolution Professional.

Pursuant to said order and as per section 17 of IBC, 2016, power of board of directors stands suspended and exercised by Interim Resolution Profession/ Resolution Professional.

The Company was undergoing CIRP process since May 02, 2019, under the provisions of IBC, 2016. The company continued to operate as a going concern and Resolution Professional, Mr. Vikas G. Jain was managing the affairs of the Company till the approval of Resolution Plan by Hon'ble NCLT.

Subsequently, Resolution Plan submitted by Plastene India Limited has been consented by Committee of Creditors in its meeting held on July 18, 2020 and duly approved by Hon'ble NCLT Ahmedabad Bench vide its order no. IA 178 of2020 in C.P. (I.B.) 08/NCLT/AHM/2019 dated August 07, 2020 under section 31 of IBC.

As per the approved Resolution Plan, a Steering Committee was constituted for the implementation of the Resolution Plan and all the decisions which could otherwise have been taken by the Company's board of directors, were taken by the Steering Committee untill the formation of new Board and Mr. Vikas G. Jain (IP-Reg. No. IBBI/IPA-001/IP-P00354/2017-18/10612), who acted as Resolution Professional during CIRP of the Company, was appointed as Chairperson of the Committee. As a part of the implementation of the Resolution Plan, the erstwhile board of directors (suspended Board of Company) were replaced by the new board of directors in Steering Committee Meeting held on October 21, 2020 and took control over the management of the Company.

However, the charge of Company has been handed over by Resolution Professional to Resolution Applicant in Steering Committee Meeting held on November 26, 2020.

B Corporate Action as per approved Resolution Plan:

1 Reduction of Capital

As per approved Resolution Plan, Company in its Board Meeting held on November 25, 2020, passed board resolution for –

(i) Cancellation of entire shareholding (Equity and Preference both) of erstwhile promoters of Company

(ii) Allotment of 1 Equity Shares in lieu of every 32 Equity Share held by them on Record Date

Share Capital of the Company reduced as under :-

a. Promoters :-

* 30,17,309 Equity Shares of ₹ 10 each held by the erstwhile Promoters (entire shareholding) cancelled and reduced to Zero (0).
* 480000 Preference Shares of ₹ 100 each, cancelled and reduced to Zero (0)

b. Public :-

* New Equity Shares of ₹10/- each issued in lieu of every existing 32 Equity Shares of ₹10/- each, held by the Public shareholders

Notes to the Financial Statements for the year ended March 31, 2021

c. **Fraction shares cancelled and reduced to zero (0)**

Consequently, upon Reduction, the balance Equity Share Capital is 221837 Equity Shares of ₹ 10/-

2 Allotment of Shares

Company in its Board Meeting held on December 15, 2020, has allotted 512000 fully paid up Equity Shares of ₹ 10/- each, to Secured Financial Creditor i.e. Bank of Baroda for consideration other than cash and 9500000 Equity Shares of ₹ 10/- each at par to newly defined Promoters, being part of Resolution Plan.

Pursuant to implementation of Resolution Plan, Share Capital of Company (post reduction and allotment) stands 10233837 Equity Shares of ₹ 10/- each

3 Change in Management

Being part of Implementation of approved resolution plan, Board of Directors of the Company has been reconstituted in Steering Committee Meeting held on October 21, 2020 by appointment of representative of sucessfull Resolution Applicant on board and Resignation of erstwhile Directors of suspended board

The present list of Board of Directors and KMP of the Company as on March 31, 2021 -

Sr No	Name	Designational
1	Mr Anil Shyamsunder Goyal	Chairman and Non-Executive Director
2	Mr Prakashkumar Hiralal Parekh	Managing Director
3	Mr Rakesh Lahoti	Non-Executive Independent Director
4	Ms. Meenu Maheswari	Non-Executive Independent Women Director
5	Mr Bhavesh Jain	Director and Chief Financial Officer
6	Mr Subir Kumar Das	Non-Executive Independent Director
7	CS Khushboo Surana	Company Secretary

32 Significant Accounting Policies

A Compliance with Ind AS:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as issued under section 133 of Companies Act 2013 read with the Companies (Indian Accounting Standards) Rule, 2015.

During the year the Company has not revalued its borrowings and preference shares as per Ind As and also not amortized interest on the same as per Ind AS

B Basis for Preparation of Accounts:

The financial statements have been prepared under the historical cost convention, except Investments which are measured at fair value. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis. The preparation of financial statements requires estimates and assumption to be made that effect the reported amount of assets and liabilities and revenue and expenditures during the reporting periods. Difference between actual results and estimates are recognized in the period in which they are known/ materialized.

C Summary of Significant Accounting Policies:

The following are the significant accounting policies applied by the Company in preparing its financial statements consistently to all the periods presented.

i. Going concern assumption

The Ownership of the company has been changed as per Order Passed by Honb'le NCLT Court and manufacturing operations stars by New Management from November end. The Company has been made turn over of ₹ 1587.13 Lakh upto 31st March 2021, So We assume that Company is Going Concern.

ii. Current verses 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 intends to be sold or consumed in the normal operating cycle;
- Help primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash and cash equivalent 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 the normal operating cycle;
- 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.

The Company classifies all other liabilities as non-current.

Notes to the Financial Statements for the year ended March 31, 2021

However as CIRP process has been initiated all liabilities towards Banking Facilities have been converted in to Current Demands and hence shown under Current Liabilities.

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

iii. Use of estimates and judgements

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumption and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results estimates are recognized in the period in which the result is known/materialized.

The said estimates are based on the facts and events, that existed as at reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Estimation of uncertainties relating to COVID-19 Pandemic (COVID-19):

The Company has considered the possible effects that resulted from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. Having reviewed the underlying data and based on current estimates, the company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions

iv. Financial instruments

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

A. Financial asset

i. Classification and measurement Classification

The Company classifies its financial assets, other than investments in subsidiaries and joint venture in the following measurement categories:

a. those to be measured subsequently at fair value(either through other comprehensive income, or through profit or loss), and

b. those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, all financial assets are measured initially at fair value plus, 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchase 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 trade) are recognised on trade date.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There is only one measurement category into which the Company classifies its debt instruments as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Notes to the Financial Statements for the year ended March 31, 2021

Cash and cash equivalents

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

Other bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

ii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33.2 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the financial asset have been transferred, or
- The Company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cashflows to one or more recipients.

When the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognised.

When the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement of the asset.

iv. Income recognition

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options)but does not consider the expected credit losses. Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

B. Financial liabilities

i. Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of Profit and Loss, loans and borrowing, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The company's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks and derivative financial instruments.

ii. Subsequent measurement:

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

Financial liabilities at fair value through Statement of Profit and loss.Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit and 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 derivatives financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit

Notes to the Financial Statements for the year ended March 31, 2021

risks are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss.

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in the 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.

This category generally applies to borrowings.

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 recognized initially as a liability at fair value through statement of profit and loss (FVTPL), 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 recognized less cumulative amortisation.

iii. 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 recognized in the statement of Profit and loss.

C. Derivative financial instrument:

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instrument is initially recognized at fair value through consolidated statement of Profit and loss (FVTPL) on the date on which a derivative contract is entered into and is 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 derivative financial instrument are classified in the consolidated statement of Profit and loss and reported with foreign exchange gains/(loss) not within results from operating activities. Changes in fair value and gains/(losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designed as hedge are recorded as finance cost.

D. 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 recognized amounts and there is an intention to settle on a net basis, to relate the assets and settle the liabilities simultaneously.

v. Foreign Currency Transactions:

The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

Transactions in Foreign currency are recorded at the rate of exchange in force at the time transactions are effected and exchange difference, if any, on settlement of transaction is recognized in Profit & Loss Account. Monetary transactionbalance other than FCDL as on date of Balance Sheet have been reported at exchange rate on Balance Sheet date and difference charged to profit & loss account. Forward contract premium paid on forward contracts are amortized to Profit & loss account over life of such contract.

vi. Fair value measurement

The Company measures financial instruments such as Investments at fair value at the end of each reporting period.

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:

- In the principal market for the asset or liability

  Or

- In the absence of a principal market, in the most advantageousmarket for the asset or liability.

Notes to the Financial Statements for the year ended March 31, 2021

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 theassumptions that market participants would use when pricing theasset or liability, assuming that market participants act in theireconomic best interest.

A fair value measurement of a non-financial asset takes into account 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 measurefair value, maximising the use of relevant observableinputsandminimising 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 issignificant 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 reassessing categorisation (based on the lowest level input that issignificant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

However, such fair value report is not available for all assets except equity investment as on 31st March, 2020, Hence impairment Loss not booked for immovable properties.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, The Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers,also compares the change in the fair value of each asset and liabilitywith relevant external sources to determine whether the change isreasonable on yearly basis.

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. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured atfair value on the date of transition
- Investment properties
- Financial instruments (including those carried at amortised cost)

vii. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria fo r a provision are met.

Notes to the Financial Statements for the year ended March 31, 2021

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised. However as stated above No Impairment loss is booked on 31st March, 2021.

Depreciation

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under PartC of Schedule II to the Companies Act 2013.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation for assets purchased/sold during a period isproportionately charged for the period of use, irrespective of actual operation and uses of the assets in question.

viii. Intangible Assets

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

The useful lives of intangible assets are assessed as either finite orindefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expectedpattern of consumption of future economic benefits embodied inthe assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statementof Profit and Loss when the asset is derecognised.

Amortisation

Software is amortized over management estimate of its useful life of 3 years.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

ix. Inventories

Inventories of Raw material, Work-in-progress, finished goods and Stock-in-trade are valued at the lower of cost and net realizable value.However, Raw material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location andconditions are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Notes to the Financial Statements for the year ended March 31, 2021

- Finished goods and work in progress: cost includes cost of direct materials and Labours and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories of stores, consumables, project material at site are valued at cost or NRV whichever is low. The stock of waste is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

x. Revenue Recognition:

Sale of Goods

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, tradediscounts, volume rebates and GST.

Interest income

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend

Dividend Income is recognised when the Company's right to receiveis established which is generally occur when the shareholders approve the dividend.

xi. Taxes on Income

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of Profit and Loss is recognised outside the statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except.

- When the Deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent it is probable

Notes to the Financial Statements for the year ended March 31, 2021

that future taxable amounts will be available against the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset arises relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 assets is to be utilised. Unrecognized deferred tax assets are re-assessed 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 the statement of Profit and 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 deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Calculation of DTA Working for the year 2020-2021 :--

Particulars	Books	ITA	Difference	DTA	DTL
WDV of FA	27,17,85,314	27,63,17,482	45,32,168	11,40,656	0
Unabsorbed Depreciation	0	11,65,07,705	11,65,07,705	2,93,22,659	0
Carry Forwarded Losses	0	81,99,49,193	81,99,49,193	20,63,64,813	0
Unrealised Gain on Investemnt	10,40,738	0	-10,40,738	0	-2,61,933
Gratuity	52,231	0	52,231	13,145	0
Total				**23,68,41,274**	**-2,61,933**
Net DTA as on 31.03.2021				**23,65,79,341**	
Less: DTA Provided upto 31.03.2020				**3,56,42,590**	
Provision of DTA for the year 2020-2021				**20,09,36,751**	

xii. Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period on government bonds using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer

Notes to the Financial Statements for the year ended March 31, 2021

settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

a) defined benefit plans such as gratuity and

b) defined contribution plans such as provident fund.

Defined benefit plan

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

The present value of the defined benefit obligation is determined by discounting the estimated future cashout flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

xiii. Export incentives

Export incentives under various schemes notified by government are accounted for, in the year of exports based on eligibility and whenthere is no uncertainty in receiving the same.

xiv. Investment and other Financial Assets

Financial assets are recognized and measured in accordance with Ind AS 109 – Financial Instruments. Accordingly, the company recognizes financial asset only when it has contractual right to receive cash or other financial assets from another Company.

a. Initial recognition and measurement

All financial assets, except investment in subsidiary are measured initially at fair value plus, transaction costs that are attributable to the acquisition of the financial asset. The transaction cost incurred for the purchase of financial assets held at fair value through profit or loss is expended in the statement of Profit and Loss immediately.

b. Subsequent measurement

For the purpose of Subsequent measurement financial assets are classified in three categories:

- Measured at amortised cost
- Measured at fair value through other comprehensive income (FVOCI)
- Measured at fair value through Profit and Loss (FVTPL)

xv. Debt instruments at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are accounted for at amortized cost using the effective interest method. This category comprises trade accounts receivable, loans, cash and cash equivalents, bank balances and other financial assets. A gain or loss on a debt instrument that is subsequently measured at amortized cost and is not part of a hedging relationship that is recognized in the Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Debt instruments at fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely

Notes to the Financial Statements for the year ended March 31, 2021

payments of principal and interest, are measured at fair value through Other Comprehensive Income (FVOCI).

The movement in carrying amount are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from equity to the Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

Debt instruments at fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortized cost or s FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

xvi. Equity Investments:

All equity investments, except in subsidiary are measured at cost in scope of Ind AS 109 are measured at fair value. 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 the company decides to classify an equity instruments as a FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI 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 recognised in the Statement of Profit and Loss.

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The company has transferred substantially all the risks and rewards of the asset

Investments in shares are stated at market value as on date of Balance Sheet and M to M gain / loss is shown in profit and loss account.

xvii. Borrowing cost

Borrowing costs 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 capitalized as part of the cost of the respective asset. All other borrowing costs areexpensed in the period in which they occur. Borrowing costs consistof interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

xviii. Provisions, contingent liabilities and contingent assets

Provisions are recognized 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 benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements

xix. Related Party Transactions:

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" has been set out in a separate statement annexed to this Schedule as per Note no.45. Related Parties as defined in Ind AS 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

xx. Provisions:

A provision is recognized when Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate has been made of the amount of the obligation. Accordingly, provision for income tax payable has not been done. MAT credit of ₹ Nil (P.Y. ₹ Nil) lakhs and unabsorbed depreciation of ₹512.26 (P.Y. ₹ 575.94) lakhs have been ignored for the purpose of DTA provision.

Notes to the Financial Statements for the year ended March 31, 2021

xxi. Classification of Subsidy Receivable into Current and Non-Current Asset:

(a) The Company has received eligibility certificate from concerned department regarding VAT concession for amount of Subsidy of ₹ 3066.38 Lakhs for 8 years in equal installments. The VAT Concession is for the period of 8 years from 01-01-2014 to 31-01-2021. Amount under Subsidy receivable is treated as Non –Current Assets. The status of subsidy amount as per certificate received from concerned authorities is as under.

Particulars	Details	Amount
Period (8 Years)	01.01.2014 to 31.12.21	8
Entitlement Certificate No.-Commercial Tax Department issued on 16.06.16	GUJ TIS 160616 000199	
Eligibility Certificate No. - DIC issued on 19.10.15	IC\Salt-Tex\147\1121480	
Total Certificate Amount and per year income to be Booked	Total ₹ 3,066.38 lakhs	₹ 383.30 lakhs
Nos. of Years for which income has been Booked till 2018-19		5
Income Booked- Till 2018-19		₹ 1,916.50 lakhs
Income Received / Expenses Booked		₹ 1,197.66 lakhs
Eligible Amount to be Claimed for reimbursement/refund from respected authorities		₹ 0.00 lakhs
(Subject to filing of claim and its approval from concerned authorities.) (Shown under Current Assets)		Nil
Other Non- Current Assets (Balance Amount)		₹ 718.84 lakhs

(b) The Company has Interst receivable under TUFF Scheme in Textile Policy. The amount receivable under TUFF scheme treated as Non-Current Assets. The status of amount interest receivable under TUFF Scheme from concerned authorities are as under.

Particular	Due Period	Interest Receivable (₹ In Lakhs)
Interest Refundable from Gujarat Govt.	October to Decemebr – 2018	₹ 21.63
Interest Refundable from Cent. Govt.	March to May – 2018	₹ 0.22
Interest Refundable from Cent. Govt.	October to December – 2017	₹ 18.71
Interest Refundable from Cent. Govt.	January to March – 2018	₹ 17.49
Interest Refundable from Cent. Govt.	April to June – 2018	₹ 16.72
Interest Refundable from Cent. Govt.	July to September – 2018	₹ 15.65
Interest Refundable from Cent. Govt.	October to December – 2018	₹ 14.41
TOTAL		**₹ 104.83**

(c) The Company has receivable under Income Tax Refund which are shows as below, treated as Current Assets :

Particulars	Amount (₹ in Lakhs)
Income Tax Refund 2019-2020	0.29
TDS Receivable 2020-2021	0.84
TCS Receivable 2020-2021 (on Purchsae)	1.22
TOTAL	**2.35**

xxii. Previous year figures have been regrouped and rearranged, wherever necessary, to make them comparable with the current year figures.

33 Physical verification for fixed assets and inventory were carried out in routine manner however It was conducted by the management. The Management believe that no item of fixed assets has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the fixed assets. Accordingly, no provision is required in respect of such fixed assets however, a report on fair value from registered valuer could not be obtained.

34 The company has dues with statutory authorities pertaining to Goods and Service Tax and TDS aggregating to ₹ 5.44 Lakhs (P.Y. ₹ 283.50 Lakhs).

35 Pursuant to approved Resolution Plan,We have made payment to Financial Creditors Unsecured (Excluding Related parties), Operational

Notes to the Financial Statements for the year ended March 31, 2021

Creditors (includig Government Dues), and to the Workmen and Employees.

36 The company has certain trade receivables, security deposits withheld claim of indirect taxes including incentives receivables from State/ Central Government which are subject matters of dispute/Arbitration proceedings/negotiation with the customer due to irregular and termination of supply and other quality dispute. The management of the Company is confident of positive outcome of litigations / resolutions of disputes and recovering the aforesaid dues. The company has made a provision for doubtful debt towards Trade Receivable

37 The Company has sent balance confirmation letters to various customer towards trade receivable but could not obtained or received from customers as on 31st March 2021. So the management believes that amount of trade receivable are treated as Balance written off in books of accounts except ₹ 283.64 Lakhs.

38 Payment to Auditors :

(₹ in Lakhs)

Particulars	2020-21	2019-20
As Auditors	2.00	1.25
For Taxation matters	1.00	0.75

39 Shareholders with Holding over 5% shares :

Sr No	Name of Shareholders	As on 31st March 2021		As on 31st March 2020	
		No of Shares	% of Holding	No of Shares	% of Holding
1	Prkashkumar Hiralal Parekh	18,00,000	17.59%	0	0
2	Madhu Parekh	18,00,000	17.59%	0	0
3	Aman Parekh	18,00,000	17.59%	0	0
4	Prakashkumar Hiralal Parekh HUF	17,70,000	17.30%	0	0
5	HCP Enterprise Limited	18,00,000	17.59%	0	0
6	Bank of Baroda (Ertswhile Dena Bank)	5,12,000	5.00%	0	0
7	Manoj Mahendra Somani	0	0	9,06,440	8.92%
8	Vinayaka Credit & Holding Investment P Ltd	0	0	7,20,000	7.08%
9	Arunodaya Credit & Holding Investment P Ltd	0	0	6,57,000	6.46%
10	Aspire Emerging Fund	0	0	5,81,691	5.72%
11	Manish Mehendra Somani	0	0	5,10,100	5.02%

40 Details of Shares Issued:

(a) Equity Shares on March 31, 2021- 10233837 Equity Shares of ₹ 10 each fully paid up.

(b) Preference shares on March 31, 2021- Nil (Pref shares cancelled)

(c) No of shares cancelled/ reduced as per Resolution Plan

- Equity Shares of Promoters- 3017309 Equity Shares of ₹ 10
- Preference Shares of Promoters-480000 Pref Shares of ₹ 100 each

(d) Equity Shares of Public- 221837 Equity Shares issued in lieu of 7149083 Equity Shares of ₹ 10/-

Notes to the Financial Statements for the year ended March 31, 2021

(e) No of Shares Allotted- 10012000 Equity Shares of ₹ 10 each (ranking Paripassu)

Name of Shareholders	As on 31st March 2021		As on 31st March 2020	
	No of Shares	Amount in Lakhs	No of Shares	Amount in Lakhs
Euiqty Shares outstanding at the beginning of the year	1,01,66,392	1016.64	1,01,66,392	1016.64
Less: Cancellation of Entire Share Holding of Erswhile Promotors	30,17,309	301.73	Nil	Nil
Less: Euity Shares of Public Reduced / Cancelled during the year	71,49,083	714.91	Nil	Nil
Add: Allotment of 1 Equity Shares in lue of 32 Shares held as per Record Date for 71,49,083 Equity shares	2,21,837	22.18	Nil	Nil
Add: New Equity Shares issued to New Promoters of the company during the year	95,00,000	950	Nil	Nil
Add: Equity Shares issued to Bank of Baroda (Erstwhile Dena Bank) as per Resolution plan and order Passed by Honb'le NCLT	5,12,000	51.2	Nil	Nil
Equity Shares Outstanding at the end of the year	**1,02,33,837**	**1023.38**	**1,01,66,392**	**1016.64**

Name of Shareholders	As on 31st March 2021		As on 31st March 2020	
	No of Shares	Amount in Lakhs	No of Shares	Amount in Lakhs
Preference Shares outstanding at the beginning of the year	4,80,000	480.00	4,80,000	480.00
Preferemce Shares issued during the year	Nil	Nil	Nil	Nil
Less: Preference Shares Cancelled / Reduced during the year As per Resolution Plan	4,80,000	480.00	Nil	Nil
Prefrence Shares at the end of the year	**Nil**	**Nil**	**4,80,000**	**480.00**

41 Terms / Rights attached the equity Shares :

The Company has one class of shares referred to as equity shares having a par value of ₹ 10 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

42 Details on Secured & Unsecured Term Loans & Credit Facilities:

Sr No	Account Name	Outstanding Amount (₹ in Lakhs)	Rate of Interest
1	Bank of Baroda (Ertswhile Dena Bank) *	3232.50	9%

*** Credit facilities from Bank of Baroda (Erstwhile Dena Bank)are further Secured by:**

a) 1st Charge by way of Equitable Mortgage of Fixed Assets at 485, SantejVadsar Road, Santej, Kalol, Gandhinagar and Hypothecation of Plant and Machinery and all other fixed assets of HDPE, Label Division at Santej.

b) 1st Charge by way of Equitable Mortgage of Land at Plot No 107, Bangurnagar, Goregaon (W), Mumbai, approximate 865.50 sq yards owned by Shri Mahendra Somani.

c) 1st Charge by way of Equitable Mortgage of Flat no I/2 Aakanksha Appt., near Sola Railway Crossing, Ahmedabad owned jointly by Shri Manish Somani & Smt. Purnima Somani.

d) 1st Charge by way of Equitable Mortgage of Flat No B/1001, Gala Swing, South Bopal, Ahmedabad owned by Shri MahendraSomani.

e) Lien of TDR NO – 25380300002518 (with BOB) of ₹ 15 lakhs.

f) **Personal Guarantee of Previous Management's Directors and Previous Gaurantors:**

Mr. Mahendra Somani, Mr. Manoj Somani, Mr. Manish Somani & M₹ Purnima Somani.

Notes to the Financial Statements for the year ended March 31, 2021

43 Details of Investments in Securities as on date of Balance Sheet :

Sr No	Details of Securities	Subsidiary / Others	No. of Shares / Units	Quoted / Unquoted	Market Value as on March 31, 2021(FVTPL) in lakhs
1	PG Electroplast Ltd. (Face Value of 10 per share fully paid up)	Others	2750	Quoted	11.15
	Cost : ₹ 4.76/- lakhs		Equity Shares		
	Total				**11.15**

	Figures at current reporting period (₹ In lakhs)	Figure at previous reporting period (₹ In lakhs)
Investments classified as FVTPL	11.15	0.74
Total Net gains/(losses) on fair value changes	**10.41**	**-1.49**

44 Net gain / (losses) on Fair Value changes

Estimated amounts of contracts remaining to be executed on Capital Account (Net of Advance) and not provided for ₹ – Nil (Previous year – Nil)

45 Contingent Liability not provided for in respect of:

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Guarantee give by Company's Bankers(Guarantees have been given by the company's banker in the normal course of Business and are not expected to result in any liability on the company)	Nil	142.11
Export commitments to be fulfilled for Import of Raw Material Against advance license.	Nil	55.54
Central Excise duty u/s 11A of the Central Excise Act 1944 on account of Excise Department search at the premises of the Company at Santej on 25/ 07/2014 vide Show Cause notice dated 04/01/2016. (478.25 Lakh towards duty and interest under section 11AA & penalty u/s 11AC on the above for Santej Unit) As per the latest legal opinion taken by the old management on 11/09/2017,possibilities of any liability of the above are very minimal. Hence management has not provided for the same in books. The Matter has been rejected by The Settlement Commission and Sent back to File of Jurisdictional Officer for disposal vide order of settlement commission dated 29.08.2018. No Further Appeal has been filed and claim not admitted.	Nil	478.25
Central Excise duty u/s 11A of the Central Excise Act 1944 on account of Excise department search at the premises of the Company at Siddhi Vinayak filament on 29/ 07/2014 vide Show Cause notice dated 08/01/2016. (₹ 2681.25 Lakh towards duty and interest under section 11AA & penalty u/s 11AC on the above for Santej Unit) As per the latest legal opinion taken by the old management on 11/09/2017,possibilities of any liability of the above are very minimal. Hence management has not provided for the same in books. The Matter has been rejected by The Settlement Commission and Sent back to File of Jurisdictional Officer for disposal vide order of settlement commission dated 29.08.2018. No Further Appeal has been filed and claim not admitted.	Nil	2681.25
Central Excise duty u/s 11A of the Central Excise Act 1944 on account of Excise department audit - Denial of Cenvat credit utilization for AY 2014-15 Appeal filed by excise department in Gujarat high court. No Further Appeal has been filed and claim not admitted	Nil	116.63
Penalty under section 11 AC of the Central Excise Act 1944 On the above demand. No Further Appeal has been filed and claim not admitted	Nil	116.63
Penalty on above excise duty No Further Appeal has been filed and claim not admitted	Nil	1298.43
Penalty on above excise duty No Further Appeal has been filed and claim not admitted	Nil	84.39

Loxim Industries, SagarPowertex Pvt. Ltd have filed a suit against the Company u/s 138 of Negotiable Instrument Act.

As per Approved resolution Plan, Liability of the company which is contingent in nature is being caped at ₹ 2.50 lakh pertaining to period before CIRP.

Notes to the Financial Statements for the year ended March 31, 2021

46 Related Parties Disclosures :-

1 Parties Where Control exists : NIL

2 Fellow Subsidiaries where common control exists and transactions have taken place : Nil

3 **Name of Key Management Personnel resigned during the year:**

- Mr. Manish Somani : Executive Director /CFO (w.e.f : 21.10.2020)
- Mr. Manoj Somani : Managing Director (w.e.f : 21.10.2020)
- Mr. Kishorilal Sonthaliya : Director (w.e.f 21.10.2020)
- Mr. Nirav Raval : Executive Director /CFO (w.e.f : 04.11.2020)

4 **Name of related parties having transaction with the Company during 01.04.2020 to 31.03.2021 :**

Transactions	Entities over which Key management personnel and their relatives have significant influence				Key Management Personnel		
	HCP Enterprise Limited	Plastene India Limited	Plastene Polyfilms Limited	K P Woven Private Limited	Nirav Raval	Bhavesh Jain	Khushboo Surana
(a) Transactions entered during the year							
Sale of Services (Job Work)		53.38					
Sale of Mfg Goods		707.27	124.01	238.17			
Loan Taken	567.81						
Purchase	818.05	443.73	117.23	71.01			
Managerial remuneration					2.09	7.11	4.83
(b) Balances at end of the year							
Unsecured Loan Payable	567.81						
Advance received towards Sale of goods	-						
Advance Paid towards supply of goods							
Other receivable		200.89	6.78	53.41			
Other payable including Remunaration	(411.30)				-	1.90	0.90

47 Segment Reporting:

(₹ in Lakhs)

Sr No	Particulars	2020-2021			2019-2020		
		Woven Sack	Woven Label	Total	Woven Sack	Woven Label	Total
1	**Segment Revenue**						
	External Sales & Other Operating Income	1,582.54	4.59	1,587.13	561.95	0.00	561.95
	Total	**1,582.54**	**4.59**	**1,587.13**	**561.95**	**0.00**	**561.95**
2	**Segment Results before interest & Taxation**	**(863.90)**	**1.60**	**(862.31)**	**(1,706.10)**	**0.00**	**(1,706.10)**
	Less : Allocation of Expenditure	-	-	-	0.00	0.00	-
	a) Interest	(126.80)	-	(126.80)	(395.90)	0.00	(395.90)
	b) Deffered Tax	2,009.37	-	2,009.37	33.16	0.00	33.16
	Less: Extra Ordinary Items/Exceptional Items	5,342.03	5,342.03	(1.52)	0.00	(1.52)	
	Net Profit / (Loss) Before Tax	**6,360.70**	**1.60**	**6,362.30**	**(2,070.36)**	**0.00**	**(2,070.36)**
3	**Other Information:**						
	Segment Assets	7,231.18	4.42	7,235.61	7,113.96	0.00	7,113.96
	Segment Liabilities	7,231.18	4.42	7,235.61	7,113.97	0.00	7,113.97
	Capital Expenditure	102.79	0.00	102.79	0.00	0.00	0.00
	Depreciation			512.26			575.94

Notes to the Financial Statements for the year ended March 31, 2021

Notes:

a The Company has identified business segments as primary segment. The reportable business setments are Woven Sacks and Woven Label.

b Secondary Segment Information - Geographical Segments

48 Earning Per Share :-

Basic Earnings per Share is calculated by dividing the net profit/ loss for the year attributable to ordinary equity holders by the weighted average number of equity shares outstanding during the year.

Diluted Earnings Per Share is calculated by dividing the profit attributable to equity holders (or owners) of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	Particulars	2020-2021	2019-2020
(A)	Profit / (Loss) for the year After tax, prior period adjustments and exceptional item as per Profit and Loss Account ₹ in lakhs	6,362.30	(2,070.36)
	Calculation of weighted average number of shares		
	Number of equity shares at the beginning of the year	1,01,66,392	1,01,66,392
	Number of equity shares at the end of the year	1,02,33,837	1,01,66,392
(B)	Weighted average number of equity shares outstanding during the year	96,68,502	1,01,66,392
(A/B)	**Basic and diluted earnings per share (INR) – after Exceptional item**	**65.80**	**(20.36)**

49 Risk measurement, Objectives and Policies

49.1 Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings in domestic & foreign currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks and how the Company is managing such risk.

The company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

49.2 Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and others. In addition, credit risk arises from financial guarantees.

The Company implements a credit risk management policy under which the Company only transacts business with counterparties that have a certain level of credit worthiness based on internal assessment of the parties, financial condition, historical experience, and other factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component that are expected to occur. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. Debt securities are analyzed individually, and an expected loss shall be directly deducted from debt securities.

Notes to the Financial Statements for the year ended March 31, 2021

Credit risk also arises from transactions with financial institutions, and such transactions include transactions of cash and cash equivalents and various deposits. The Company manages its exposure to this credit risk by only entering into transactions with banks that have high ratings. The Company's treasury department authorizes, manages, and oversees new transactions with parties with whom the Company has no previous relationship.

The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly.

(a) The ageing analysis trade receivables from the date the invoice falls due is given below :

(Amounts in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Up to 3 months	3,31,23,840	-
3 to 6 months	-	-
6 to 12 months	-	-
Beyond 12 months	2,83,64,525	19,62,88,782
Gross Carrying Amount	6,14,88,365	19,62,88,782
Expected Credit Losses	2,83,64,525	-
Net Carrying Amount	**3,31,23,840**	**19,62,88,782**

(b) Details of single customer accounted for more than 10% of the accounts receivable as at 31st March 2021 and 31st March 2020

(Amounts in ₹)

Name of Customer	As at March 31, 2021	As at March 31, 2020
Hindustan Gunny Bags And Allied Suppliers	61,21,146	11,70,19,294
K P Woven Private Limited	53,40,978	-
Plastene India Limited	2,00,94,305	-

(c) Details of single customer accounted for more than 10% of revenue for the year ended at 31st March 2021 and 31st March 2020:

(Amounts in ₹)

Name of Customer	2020-2021	2019-2020
Plastene India Limited	7,39,69,644	-
Hindustan Gunny Bags And Allied Suppliers	3,50,90,613	-
K P Woven Private Limited	2,38,35,184	-

49.3 Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

Notes to the Financial Statements for the year ended March 31, 2021

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual discounted payments.

(Amounts in ₹)

Particulars	As at 31.03.2021			As at 31.03.2020		
	Less than 1 yr.	1 to 5 yrs.	Total	Less than 1 yr.	1 to 5 yrs.	Total
Borrowings including interest obligations	-	38,00,31,322	38,00,31,322	98,49,24,705	-	98,49,24,705
Trade payables	7,21,11,921	-	7,21,11,921	3,04,813	34,32,30,660	34,35,35,473
Total	**7,21,11,921**	**38,00,31,322**	**45,21,43,243**	**98,52,29,518**	**34,32,30,660**	**1,32,84,60,178**

49.4 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings. The goal of market risk management is optimization of profit and controlling the exposure to market risk within acceptable limits.

a) Interest rate risk

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings

(Amounts in ₹)

Nature of Borrowing	Change in basis points	As at 31.03.2021	As at 31.03.2020
Term Loan from Banks	50	16,16,250	6,37,297
	(50)	(16,16,250)	(6,37,297)
Working Capital Facilities from Bank	50	-	30,53,322
	(50)	-	(30,53,322)

b) Commodity Price Risk

Principal Raw Material for company's products are Polyproplene Granules, LLDPE Granules, LDPE Granules,Filler, HDPE Granules, Master Batch etc. Company sources its raw material requirements from domestic markets as well as International markets. Domestic market price generally remains in line with international market prices. Volatility in Granules prices, currency fluctuation of rupee vis-a-vis other prominent currencies coupled with demand-supply scenario in the world market affects the effective price of raw materials. Company effectively manages availability of material as well as price volatility through well planned procurement and inventory strategy and also through approprate contracts and commitments.

c) Sensitivity Analysis

The table below summarises the impact of increase/decrease in prices of PP Granules, HDPE Granules, LDPE Granules, LLDPE Granules on profit for the period.

Particulars	Impact on PBT	
	2020-2021	2019-2020
Increase in price of raw materials by 5%	(73,21,873)	-
Decrease in price of raw materials by 5%	73,21,873	-

Notes to the Financial Statements for the year ended March 31, 2021

50 For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

(Amounts in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	38,38,71,947	98,49,24,705
Less: Cash & Cash Equivalents	23,90,204	2,89,38,869
Net Debt (A)	**38,14,81,743**	**98,25,12,019**
Total Equity (B)	**26,30,60,114**	**(73,99,02,937)**
Equity and Net Debt [(C) : (A)+(B)]	**64,45,41,857**	**24,26,09,082**
Gearing Ratio [(A)/(C)]	0.59	4.05

51 Global Health Pandemic – Covid -19

In the fourth quarter of FY 2019-20, we have seen an unprecedented global breakout of the COVID-19 pandemic leading to a humanitarian crisis and a significant economic fallout. The complexity and volatility continue to rise. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc.

In assessing the recoverability of Company's assets such as Investments, Loans, intangible assets, Goodwill, Trade receivable etc. the Company has considered internal and external information.

As per our report of even date attached

For Ashok Dhariwal & Co
Chartered Accountants
Firm Regd. No.: 100648W

Ashok Dhariwal
Partner
Membership No.: 036452

Place: Ahmedabad
Date: 11th June, 2021

For and on behalf of the Board of Directors of **Gopala Polyplast Limited**
CIN : L25200GJ1984PLCO50560

Prakash Parekh
Managing Director
DIN:00158264

Khushboo Surana
Company Secretary

Place: Ahmedabad
Date: 11th June, 2021

Anil Goyal
Chairman
DIN:03071035

Bhavesh Jain
Chief Financial Officer

Place: Ahmedabad
Date: 11th June, 2021