NOTES TO THE FINANCIAL STATEMENTS

NOTES-1 - SIGNIFICANT ACCOUNTING POLICIES
ADDITIONAL NOTES TO ACCOUNTS

General Information

Integrated Thermoplastics Limited (‘the Company’) is a Public Limited Company incorporated in India, registered under Companies Act 1956 having registered office at located at Sy. No.375, Manoharabad Village (V), Toopran Mandal, Medak District - 502334, Telangana, India.And its securities listed on the BSE Limited.

Integrated Thermoplastics Limited is engaged in the business of Manufacture, Fabricate, Purchase, Sell, Import, Export, Undertake Job Work or Otherwise deal in all types of Thermoplastics Products

: Provision for Income Tax has been made for the current year as per the I.T. Act.

: Details of Production

Description and Qty. in Mtrs/ No's (Approx)	2018-19	2017-18
PVC Pipes	5720739	5656936
Couplers & Bends As certified by the management on which certificate the auditors have placed reliance.	39788	67914

A.3:Details of Inventories

Description and Qty in Kgs/Mtrs/No’s	2018-19		2017-18	
	Quantity Kgs/ Mtrs/No's	Value (Rs.)	Quantity Kgs/ Mtrs/No's	Value (Rs.)
Raw Materials				
PVC Resin	326030	23148442	81170	5925410
Others	420079	8037338	73881	2440060
	746109	31185780	154551	8365470
Finished Goods				
PVC Pipes	292825	24588627	191891	16381444
Fittings (Couplers & Bends)	14760	339127	8228	183401
	307585	24927754	200119	16564844
Sales				
PVC Pipes , HDPE & Tanks	5469307	533334994	57470292	469869672
PVC Resin & Chemicals	2726573	199371481	782500	55384090
Fittings (Couplers & Bends	34671	982703	64735	2717378
PVC Scrap & Machinery	13505 & 8	1154982	20720	103834
Total	8244056	734844160	6615047	528044974

: Material Consumed

Description and Qty in Kgs/Mtrs/No's	2018-19		2017-18	
	Kgs.	Value (Rs.)	Kgs.	Value (Rs.)
PVC Compound	11053333	775222781	6948540	433599681

: Expenditure incurred in Foreign Currency : Nil Earnings in

Foreign Currency : Nil

B. Basis of preparation of financial statements

Statement of Compliance

These financial statements are prepared in accordance with the generally accepted accounting principles (GAAP) in India and in compliance with the Indian Accounting Standards (Ind AS)Specified under section 133 of the Companies Act 2013("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and other provisions to the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Char tered Accountants of India (the ICAI)

The financial statements were authorized for issue by the Company's Board of Directors on 28th May, 2019.

Details of the accounting policies are included in Note 1.

Basis of preparation and presentation

These financial statements for the year ended March 31, 2018 are the first financial statement that the Company has prepared under Ind AS. For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'the Previous GAAP') used for its statutory reporting requirements in India immediately before adopting Ind AS.

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

• Certain financial assets and liabilities are measured at fair value;

Functional and presentation currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

All amounts are in Indian Rupees except share data, unless otherwise stated.

Operating Cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out under Ind As and in the Schedule III to the Companies Act, 2013. Based on the nature of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Critical accounting judgements and key sources of estimation uncertainty.

In the application of the Company's accounting policies, which are described in Note 1, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contin gent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in thefinancial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receiv able.

Useful lives of depreciable assets

Useful life of Property, Plant and Equipment including intangible asset: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Fair value measurement and valuation process:

The company measured financial assets and liabilities, if any, at fair value for financial reporting purposes.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Significant accounting Policies

1.1 Revenue recognition

Revenue has been recognized on accrual basis. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc. Income from export incentives such as duty drawback and premium on sale of import licenses and lease license fee are recognized on accrual basis.

According to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the year ended 31st March, 2017 was reported inclusive of excise duty. Goods and Services Tax ("GST") has been implemented with effect from 1st July, 2017 which replaces Excise Duty and other input taxes. As per Ind AS 18, the revenue for the year ended 31st March, 2018 is reported net of GST.

Statement of profit and loss

Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets up to the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.Borrowing cost includes interest incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

Taxes on Income Tax and Deferred Tax

Income Tax comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or other comprehensive income.

Provision for income tax is made on the basis of taxable income for the year at the current rates. Tax expense comprises of current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents amount of Income Tax payable/ recoverable in respect of taxable income/ loss for the reporting period. Deferred tax represents the effect of temporary difference between carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable income. Deferred tax liabilities are generally accounted for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis. Deferred tax assets/ liabilities are not recognised for initial recognition of Goodwill or on an asset or liability in a transaction that is not a business combination and at the time of transaction affects neither the accounting profit nor taxable profit or loss.

During the year due to IND AS Adjustments the Deffered Tax Asset has been increased from RS.86,13,080 to Rs.1,50,92,430.

Earnings per share

In determining Earning per Share, the Company considers net profit after tax attributable to parent and includes post tax effect of any exceptional item. Number of shares used in computing basic earnings per share is the weighted average number of the shares, excluding the shares owned by the Trust, outstanding during the period. Dilutive earning per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when results will be anti dilutive.

Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date.

Property, plant and equipment (PPE)

(i) Property, plant and equipment (PPE) are stated at cost net of any taxes less accumulated depreciation,amortisation and impairment loss, if any. Subsequent expenditure is capitalised only if it is probable that the futureeconomic benefits associated with the expenditure will flow to the Company.

(ii) Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes afterdeducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for itsintended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life as per Ind As 16 and 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.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company. Such classes of assets and their estimated useful lives are as under

Particulars	Useful life
Factory Buildings	30
Plant and Machinery	15
Furniture & Fixtures	10
Office Equipment	5
Vehicles	6
Tools and Dies	15

Inventories

Inventories are accounted for at cost and all other costs incurred in bringing the inventory to their present location and condition, determined on weighted average basis or net realizable value, whichever is less.Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and cash in hand.

Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a 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.

Employee benefits

Employee benefit in the form of provident fund is a defined contribution scheme and the contribution scheme and the contributions are charged to the statement of profit and loss in the year when employee renders the related service. There are no other obligations other than the contribution payable to the respective authorities.

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CONTINGENT LIABILITIES (IndAS-37)

Contingent liabilities/claims not provided for:Rs. In Lakhs

	2018-19	2017-18
a) Claims against the Company not acknowledged as Debt:*		
i) Letter of Credit opened by the Bankers	650.00 Lacs	650.00 Lacs
ii) Land in dispute	25.65 Lacs	25.65 Lacs

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A. AUDITORS REMUNERATION:

Particulars	For the Year 2018-19 Rs. In Lakhs	For the Year 2017-18 Rs. In Lakhs
a) Statutory Auditor		
Audit Fee	2	2
Total	2	2

B. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Under the Micro, Small and Medium Enterprises Development act, 2006(MSMED) which came into force from Oct 2, 2006, certain disclosures are required to be made relating to MSMED. On the basis of information and records available with the company, the following disclosures are made for the amounts due to the micro and small enterprises.

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st April 2017
1	Principal amount due to any supplier as at the yearend.	Nil	66,965	6,14,411
2	Interest due on the principal amount unpaid at the year end to any supplier.	-	-	-
3	Amount of interest paid by the company in terms of Sec 16 of the MSMED, along with the amount of the payment made to the suppliers beyond the appointed day during the accounting year.	-	-	-
4	Payment made to the enterprises beyond appointed date under section 16 of MSMED	-	-	-
5	Amount of interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the year, but without adding the interest specified under MSMED.	-	-	-
6	Amount of interest accrued and remaining unpaid at the end of each accounting year and	-	-	-
7	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above or actually paid to the small enterprises, for the purpose of disallowance as deductible expenditure U/S 23 of MSMED.	-	-	-

C. Related Party disclosures under IND AS - 24.
The List of Related Parties as identified by the management is as under:

Associates of the company
Sujala Pipes Private Limited
Key Management Personnel (KMP) of the Company
V Aravinda Rani - Director
V Suresh Kumar Sastry–Whole time Director
Entity having Control over other concerns
Telangana Pipes Private Limited
Nandi Pipes Private Limited
Sreekanth Pipes Private Limited
Panyam Cements and Minerals Industries Limited
Anantha PVC Pipes Private Limited
Sujala Infrastructure Private Limited
Sreekanth Trading Private Limited
S.P.Y Agro Industries Limited
Monarch Water Containers Private Limited
Nandi Polymers India Private Limited
Nandi Water Containers Private Limited
Hyderabad Water Containers Private Limited
Nandi PVC Products Private Limited
Nandi Pipes Hyderabad Private Limited

Following transactions were carried out with related parties in the ordinary course of business's.
Terms and Conditions of transactions with Related Parties:

Purchase/Sales

S.No	Party Name	Purchase	Sales	Closing Balance
01	Sujala Pipes	5288776	87781926	5142947
02	Anantha Pipes	1844340	4,8500117	54130880
03	Sreekanth Pipes	0	94942433	100484048
04	Telangana Pipes	1621322	1900390	4396371
05	Nandi Pieps Pvt ltd	21327721	0	0
	Total	30082159	233,124,866	164154246

Un Secured Loans / Inter corporate Loans

S.No	Name of the Party	Opening Balance	Received	Payments	Closing Balance
01	Panyam Cement Pvt Ltd	57997348	124019462	26277462	155739348

The sale to related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

For the year ended March 31,2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. 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.

EARNINGS PER SHARE (EPS)

Sl. No.	Particualrs	Year Ended 31-03-2019	Year Ended 31-03-2018
1	Profit attributable to the Equity Share Holders (Rs in Lakhs)- A	(12,83,04,597)	(1,57,89,870)
2	No. of Equity Shares	6288900	6288900
3	Nominal Value of the Share (Rs.)	10	10
4	Basic / Weighted average number of Equity Shares - B	6288900	62,88,900
5	Earnings per Share (Rs.) – A/B*	(20.40)	(2.51)
6	Diluted Earnings Per Share (Rs)- A/(B+E)	(20.40)	(2.51)

B) As stipulated in IndAS–36, the Company has assessed its potential of economic benefits of its business units and is of the view of that the assets employed in continuing business are capable of generating adequate returns over their useful life in the usual course of its business. There is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

C) Operating Lease (Ind AS 17)

The Company has not taken any office premises under operating leases.

D) Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprises of issued share capital and all other equity reserves excluding Debenture Redemption Reserve.

The capital structure as of March 31, 2019 and March 31, 2018 as follows

Particualrs	Year Ended 31-03-2019	Year Ended 31-03-2018
Total equity attributable to the equity shareholders of the Company	628.89	628.89
As a percentage of total capital	22.36	27.78
Long term borrowings including current maturities	2186.68	1326.86
Short term borrowings	759.24	904.9
Total borrowings	2945.92	2231.76
As a percentage of total capital	1.05	98.58
Total capital (equity and borrowings)	2812.36	2263.82

E) Corporate Social Responsibility:

The Company is not required to spend towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013, since the company is within the threshold limit given as per the provisions of the Act.

I) Standards issued but not effective

Ind AS 115, Revenue from contracts with customers
In March 2018, the Ministry of Corporate Affairs has notified Ind AS 115, 'Revenue from Contracts with Customers', which effective for accounting is periods beginning on or after 1 April 2018. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Ind AS 115 is effective for annual reporting periods beginning on or after April 1, 2018.

The Company intends to adopt Ind AS 115 effective April 1, 2018, using the modified retrospective method. The adoption of Ind AS 115 is not expected to have a significant impact on the Company’s recognition of revenues.

Other amendments to Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), on 28 March 2018, issued certain amendments to Ind AS. The amendments relate to the following standards:

Ind AS 21, The Effects of Changes in Foreign Exchange Rates-The amendment lays down the principle regarding advance payment or receipt of consideration denominated or priced in foreign currency and recognition of non monetary prepayment asset or deferred income liability.

Ind AS 12, Income Taxes - The amendment explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps and the carrying amount of an asset is relevant only to determining temporary differences.

Ind AS 28, Investments in Associates and Joint Ventures - The amendment clarifies when a venture capital, mutual fund, unit trust or similar entities elect to initially recognize the investments in associates and joint ventures.

Ind AS 112, Disclosure of Interests in Other Entities - The amendment clarifies that disclosure requirements for interests in other entities also apply to interests that are classified as Held for sale or discontinued operations in accordance with Ind AS 105.

Ind AS 40, Investment Property - The amendment clarifies when a property should be transferred to / from investment property.

The amendments are effective 1 April 2018. The Company believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Company.

For M/s Deva & Co
Chartered Accountants
Firm Regn.No.000722S

SUPRIYA BELEDE
Partner
Membership No.229749

For and on behalf of the Board of Directors
For INTEGRATED THRMOPLASTICS LIMITED

(V. SURESH KUMAR SHASTRY)
Whole Time Director
DIN:01788268

(V. ARVINDA RANI)
Director
DIN:01241976

Place: Hyderabad.
Date:30.05.2019