1 **COMPANY OVERVIEW**

KG Petrochem Private Limited is a listed company incorporated on 29.2.1980 under Companies Act, 1956 .The name of the company changed to KG Petrochem Limited as per fresh Certificate of Incoporation dated 24.8.1995 issued by Registrar of Compaies, Rajasthan, Jaipur. The registered office of the Company is located at C-171,ROAD NO.9J, V.K.I.AREA, JAIPUR RJ 302013.

Presently the Company is engaged in the business of manufacutuing and services as under:-

(i)Textile Division :-Manufactuiring and marketing of terry towels, made-ups, readymade garment like bathrobes, babyhood towels, pillows etc. in the domestic and inter- national market.

(ii) Agency Division : Consigment Stockiest of GAIL (India) Ltd. for marketing and distribution of polymers in Rajasthan and

(iii) Technichal Textile Division : Manufacturing of artificial leather through technical textile

SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

2 **BASIS OF PREPARATION**

2.1 Ministry of corporate affairs has notified roadmap to implement IND AS notified under Companies (Indian Accounting Standard) Rules 2015 as amended by the Companies (Indian Accounting Standard) Rules 2016. And according to the said roadmap the company is required to apply IND AS in preparation of financial statement from the financial year beginning from 1st April 2017**.**

2.2 The Company has prepared its financial statements as per the IND AS for the financial year beginning on April 1, 2016 as the date of transition. These are the Company's first annual financial statements prepared complying in all material respects with the IND AS notified by Ministry of Company Affairs ("MCA").

2.3 The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2016 and March 31, 2017 and on the total comprehensive income for the year ended March 31, 2017 is disclosed in Notes to these financial statements. The financial statements have been prepared considering all IND AS as notified by MCA till the reporting date i.e. March 31, 2018. The standalone financial statements provide comparative information in respect of the previous year. In addition, the company presents its Balance Sheet as at the beginning of the previous year, which is the transition date to IND AS. i.e. April 1, 2016

2.4 The significant accounting policies used in preparing the financial statements are set out in Notes to the Standalone Financial Statements.

2.5 The preparation of the financial statements requires management to make estimates, judgements and assumptions. Actual results could vary from these estimates. The estimates, judgements 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 effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Notes on critical accounting estimates, assumptions and judgements). The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

2.6 Amounts in these financial statements have, unless otherwise indicated, have been rounded off to 'rupees in lakhs 'upto two decimal points.

3 **STATEMENT OF COMPLIANCE**

The financial statements comprising of the Balance Sheet, Statement of Profit and Loss, Statement of changes in equity, Statement of Cash Flow together with notes comprising a summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2018 and comparative information in respect of the preceding period and Balance Sheet as on transition date, i.e. 1st April 2016 have been prepared in all material aspects in accordance with IND AS as notified and duly approved by the Board of Directors, along with proper explanation for material departures.

4 **ACCOUNTING POLICIES**

4.1 **Basis of Measurement**

The standalone financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

a Financial assets and liabilities except certain those carried at amortised cost

b Assets held for sale – measured at carrying amount or fair value less cost of disposal, whichever is less

c Defined benefit plans – Plan assets measured at fair value

The standalone financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency.

4.2 **Current versus non-current classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Expected to be realised within twelve months after the reporting period, or

(d)Cash or 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 classified as current when it is:

(a) Expected to be settled in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Due to be settled within twelve months after the reporting period, or

(d)There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.3 **Inventories**

a Finished goods:

Finished goods are valued at lower of cost or net realisable value. Cost includes direct materials and labour and a portion of manufacturing overhead based on normal operating capacity.Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

b Stores & Spares:

Raw materials, components, stores and spares and work-in progress are valued at cost. However, materials 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. Cost of raw materials, components, stores and spares is determined on FIFO basis.

Capital spares that qualifies the criteria of property, plant and equipment are recognised as PPE. Accordingly the company has capitalized spares having useful life of more than 12 months and corresponding depreciation is charged on them.

4.4 Statement of cash flows

Cash flows are reported using the method as prescribed in IND AS 7 'Statement of Cash flows', where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financial cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

4.5 Prior period Errors

a Prior period errors include omissions and misstatements arising from a failure to use reliable information that was available or could have been obtained when financial statements for those periods were approved for issue.

b Prior period errors relating to the last comparative period will be shown by restating the comparative figures of Balance sheet and Profit and loss, wherever necessary. Thus, it will be disclosed in the comparative financial statements as if the error had not even occurred. And if the error relates to earlier financial years(FY 15-16 or before), then it will be adjusted from the asset/liability and retained earnings of the last comparative period shown(FY 16-17

4.6 Revenue recognition and other income

a Revenue on sale of products

The Company recognise revenues on accrual basis and measured it at the fair value of the consideration received or receivable, net of discounts, volume rebates, GST. Revenue is shown inclusive of excise duty since excise duty is liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not.

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Export sale has been recognised at the time of removal of goods from factory at invoice value (whether FOB or CIF) on the basis of exchange rates declared by Custom Department for that particular month.

No significant financing component exists in the sales.

Other operating revenue - Export incentives under various schemes are accounted in the year of export.

Other income

a Interest

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b Dividend

Dividend income is recognized when the right to receive dividend is established.

4.7 Property, Plant and Equipment

Property, plant and equipment are tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one period.

Items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Initial recognition: The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016

as the deemed cost under IND AS. Hence regarded thereafter as historical cost. The initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenses and recognition: Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

PPE costing up to Rs 5,000 each are fully depreciated in the year of purchase/installation.

Depreciation: Property, Plant and Equipments except free hold land is depreciated on Straight Line Method in the manner prescribed in Schedule II to the Companies Act, 2013.

Useful life considered for calculation of depreciation for various assets class are as follows:

Asset Class	Useful Life
Staff & Labour Quarters	60 years
Factory building	30 years
Plant & Machinery	15 years
Weighing Scale	15 years
Misc. Asset	5 years
Lab Equipment	10 years
Elec & Water Fitting	10 years
DG Set	15 years
Weighbridge	15 years
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipement	5 years
Computer	3 years
IT Equipments	6 years
Office Building	60 years
Canteen Appliances	5 years
Stores & Spares	3 years

Capital work in progress

The expenses relating to the construction of building is capitalised at the time when they are incurred. And when the asset would be completed, the same shall be transferred to asset a/c.

In case of Plant and Machinery, the amount of CWIP shall be transferred to asset a/ c at the time when the plant would be used for production.

4.8 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the relevant lease term other than where the rentals are structured solely to increase in line with expected general inflation to compensate for the increase in lessor's expected inflationary cost, such increase is recognised in the year in which such benefits accrue. In the event that lease premiums are paid to enter into operating leases, such premiums are recognised as a prepaid expenditure and amortised over the period of lease.

As per AS10, Leasehold land was recognised as Fixed Asset and amortised over the lease period. However , as per IND AS 17, it has to be recoginsed 'Prepaid lease rental' under 'Other Non Current assets' and amoritised over the lease period.

Based on independent technical evaluation, the useful life of E.T.P is estimated shorter than prescribed in Schedule II of Companies Act, 2013, which is as under:

Name of Assets	Life Taken
RO Membrance	Less than 1 Year
Other Machinery in ETP/Water Tank	5 years

Gain/loss on disposal: The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

Component accounting: 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 the useful life respectively.

Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-progress.

4.9 <u>Foreign Currency Transaction</u>

Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of transaction.

Monetary items denominated in foreign currency at the year end and not covered by forward exchange contracts are translated at the year end spot rates and those covered by forward contracts are restated at each reporting date by using forward rate for remaining period prevailing on the reporting date and exchange rate difference was booked. The Exchange rate difference on Forward Contract was charged to Statement of Profit & Loss, since Fair Value Model has been adopted by the Comapany.

4.10 <u>Government Grants</u>

Government grants related to assets are presented in balance sheet by setting up the grant as deferred income under Non Current Liability and the same is recognised in statement of profit and loss on a systematic basis.

Export incentive under "Duty Drawback Scheme" is accounted in the year of export at FOB value. The Company is eligible for MEIS Scheme. Income under MEIS scheme is accounted on accrual basis.

Government grant related to revenue is deducted in reporting the related expenses. During the year the Company has received interest subsidy under TUF Scheme and Customized Package Scheme which is deducted from expenses.

The Company has received Terminal Excise Duty refund during the year which is recognised as other non current liabilities in the balance sheet and the same is recognised in statement of profit and loss on a systematic basis, since it has been traeted as grant related to asset. All Government grants are recognised on accrual basis.

Government Grant related to EPCG is recorded in the books at the time of import in accordance with IND AS -20 and same is amortised in the books of accounts in the ratio of depreciation charged on the respective asset as per IND AS 16.

4.11 <u>Employee retirement benefits</u>

A. Short - term Employee Benefits:-

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognised in the period in which the employee renders the related services

The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability after deducting any amount already paid.

B Post-employment Benefits:-

(a) Defined Contribution Plan: Contribution to superannuation fund is recognised as an expense in the Statement of Profit & Loss as it is incurred. There are no other obligations other than the contribution payable to the respective trust. Eligible employees receive benefits from a provident fund which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

(b) Defined Benefit Plan and Other Long Term Benefits: Retirement benefits in the form of gratuity is determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date.

Other long term benefits in the form of leave encashment is provided based on the percentages notified by Government guidlines.

(c) The cost of providing Gratuity, a Defined Benefit plan, is determined using the Projected Unit Credit Method, on the basisof actuarial valuations carried out by an independent actuarial valuer at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. Other costs are accounted in statement of profit and loss.

4.12 Borrowing Cost

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing cost are charged to revenue.

4.13 Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

4.14 Impairment of assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. Any impairment gain loss is transfarred to statement of profit and loss.

4.15 Provisions and contingencies

(A) Provisions

- Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate.
- Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

(B) Contingencies

- Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflowof resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liabilities is disclosed in the Notes to the Financial Statements.
- Contingent assets are not recognised in the books of the accounts but are disclosed in Board Report. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset and the corresponding income is booked in the Statement of Profit and Loss.

4.16 Taxation

- Income tax expense represents the sum of Current Tax and Deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in Equity or Other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income.
- Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the Income Tax Act 1961. Current tax assets and current tax liabilities are off set and presented as net.
- Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

4.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, deposits held at call with banks, Fixed Deposits.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, havaing maturity less than 3 months

4.18 Financial instruments – initial recognition, subsequent measurement and impairment

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

(a) Financial Assets

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on the judgment of the management for managing those financial assets and the assets' contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes, financial assets are assessed individually.

De-recognition of financial Asset

- A financial asset is primarily derecognised (i.e. removed from the balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Companyhas transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

Impairment of financial assets (other than fair value)

- In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure: Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

Trade receivables:

- A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost , less expected credit loss if any.

- Impairment is made for the expected credit losses. The estimated impairment losses are presented as a deduction from the value of trade receivables and the impairment losses are recognised in the Statement of Profit and Loss under "Other expenses".
- Subsequent changes in assessment of impairment are recognised in ECL and the change in impairment losses are recognised in the Statement of Profit and Loss under "Other Expenses".
- Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivables and the amount of the loss is recognised in the Statement of Profit and Loss under "Other Expenses".
- Subsequent recoveries of amounts previously written off are credited to "Other Income".

b Financial liabilities

At initial recognition, all financial liabilities other than those valued at fair value through profit and loss are recognised at fair value less transaction costs that are directly related to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss.

Financial liabilities measured at amortised cost

After initial recognition, interest free Security Deposits and other financial liabilities are valued at Amortised cost using Effective Interest Rate method (EIR Method). The EIR amortisation is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised inprofit or loss as "Other Income" or "Finance Expense".

Offsetting of financial instruments

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

4.19 Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognized in the Statement of Profit and Loss. On classification as held for sale the assets are no longer depreciated.

4.20 Segment reporting

The Company identifies primary segments based on nature of products and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the managing board in deciding how to allocate resources and in assessing performance.

5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

- The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectation of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.
- The said estimates are based on the facts and events that existed as at the reporting date, or that which occured after the date but provide additional evidence about the conditions existing at the reporting date.

(a) Property, plant and equipment

- Management assesses the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

(b) Income taxes

- Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities.
- The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

(c) Contingencies

- Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(d) Impairment of accounts receivable and advances

- Trade receivables carry interest and are stated at their fair value as reduced by appropriate allowances for expected credit losses. Individual trade receivables are written off when management deems them not to be collectible. Impairment is recognised for the expected credit losses.

(e) Employee benefit expenses

- Actuarial valuation for gratuity, liability of the Company has been done by LIC on the basis of data provided by the management and assumptions used by the LIC. The data so provided and the assumptions used have been disclosed in the notes to accounts.

(f) Capital spares

- Only those capital spares whose have a useful life of more than one year and their cost exceeds Rs. 25,000 have been considered for the purpose of capitalization under property, plant & equipment in the books of account. Further, all such spares are assumed to have a useful life of 36 months.

(g) Discounting of Security deposit, and other long term liabilities

- For majority of the security deposits received, the timing of outflow, as mentioned in the underlying contracts, is not substantially long enough to discount. The treatment would not provide any meaningful information and would have no material impact on the financial statements.

!

!6 EXEMPTIONS CLAIMED

IND AS 101 "First-time adoption of Indian Accounting Standards" allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2016 opening balance sheet.

Following mandatory exceptions to the retrospective application of other IND AS as per Appendix B of IND

AS 101 have been used: –

a. Derecognition of financial assets and financial liabilities :As permitted by Ind AS 101, the Company has applied the derecognition requirements of financial assets and liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

b. Classification and measurement of financial assets :As permitted by Ind AS 101, the Company has applied the Classification and measurement of financial assets criteria as prescribed in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c. Impairment of financial assets : the company has applied the impairment test on financial assets prospectively

d. Hedge accounting : the company has applied hedge accounting as prescribed in IND AS 109 prospectively

Following exemptions have been availed from other IND AS as per Appendix D of IND AS 101:

a Deemed cost for Property, Plant and Equipment (PPE) – Since there is no change in its functional currency on the date of transition to Ind ASs, the Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the Standalone financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

7A Property, Plant & Equipment

(Amount in Lakhs)

Particulars	Lease Hold Land	Factory Building	Staff & Labour Quarters	Plant & Machinery	Weighing Scale	Misc. Asset	Lab Equipment	Elec & Water Fitting	DG Set	Weigh - bridge	Furniture & Fixtures	Vehicles	Office Equipement	Computer	IT Equipments	Office Building	Canteen Appliances	ERP (Intangible asset)	A.C. Equipments	Stores & Spares	Total
Gross Carrying Amount																					-
As at April 1, 2016	587.75	1,854.50	53.80	12,341.93	0.88	211.71	19.87	373.81	26.79	12.36	92.83	138.01	26.91	40.19	12.95	8.21	1.39	44.87	1.21	64.14	15,914.11
Additions	2.20	67.80	-	443.78	-	10.13	2.40	0.73	-	-	21.50	8.56	6.94	2.94	-	-	-	-	-	43.35	610.33
Disposal	1.86	-	-		-	-	-	-	-	-	-	7.16	-	-	-	-	-	44.87	-	-	53.89
TED Adjustment				2.72				-													
As at March 31, 2017	588.09	1,922.30	53.80	12,785.71	0.88	221.84	22.27	374.54	26.79	12.36	114.33	139.41	33.85	43.14	12.95	8.21	1.39	-	1.21	107.49	16,470.55
Additions Disposals	9.66	-	-	71.04	-	2.88	-	-	-	-	22.86	28.90	14.23	11.74	-	-	-	-	-	140.93	302.24
As at March 31, 2018	597.75	1,922.30	53.80	12,856.75	0.88	224.73	22.27	374.54	26.79	12.36	137.19	168.31	48.08	54.87	12.95	8.21	1.39	-	1.21	248.42	16,772.79
Accumulated Depreciation																					- -
As at April 1, 2016	-	303.40	3.30	5,921.84	0.68	91.97	11.06	157.90	10.83	4.47	50.66	41.04	14.46	32.19	12.30	1.37	1.30	1.17	1.10	-	6,661.04
Additions	6.18	61.48	0.86	1,218.17	0.00	36.60	1.65	31.89	2.13	0.99	7.78	18.37	4.47	3.84	-	0.13	0.00	7.11	-	25.05	1,426.70
Disposals	-	-	-		-	-	-		-	-	-	6.70	-	-	-	-	-	8.27	-	-	14.97
As at March 31, 2017	6.18	364.88	4.16	7,140.01	0.68	128.57	12.71	189.79	12.96	5.47	58.44	52.71	18.92	36.03	12.30	1.50	1.30	-	1.10	25.05	8,072.77
Additions	6.28	63.90	0.86	1,311.00	0.005	31.42	1.66	31.87	2.13	0.99	9.14	20.00	6.24	6.74		0.13	0.0003		-	62.44	1,554.80
Disposals																					-
																					1,554.80
As at March 31, 2018	12.46	428.78	5.02	8,451.00	0.69	159.99	14.37	221.66	15.09	6.46	67.58	72.71	25.16	42.77	12.30	1.63	1.30	-	1.10	87.49	9,627.57
Net carrying amount																					-
As at 01.04.2016	587.75	1,551.10	50.50	6,420.09	0.20	119.74	8.81	215.90	15.96	7.89	42.17	96.97	12.46	8.00	0.65	6.84	0.09	43.70	0.11	64.14	9,253.09
As at 31.03.2017	581.90	1,557.42	49.64	5,645.70	0.19	93.27	9.56	184.75	13.83	6.89	55.89	86.70	14.93	7.10	0.65	6.70	0.09	-	0.11	82.44	8,397.79
As at 31.03.2018	585.28	1,493.52	48.78	4,405.74	0.19	64.74	7.90	152.88	11.70	5.90	69.61	95.60	22.92	12.11	0.65	6.57	0.09	-	0.11	160.93	7,145.24

Refer Note no. 44 for disclosure of contractual commitments for the acquisition of property, plant and equipment

Refer Note no 47 for information on property, plant and equipment pledged as security by the company

7B CAPITAL WORK IN PROGRESS

Particulars	Amount
As at April 1, 2016	-
As at March 31, 2017	74.59
As at March 31, 2018	3,272.45

(Capital WIP includes building amounting to Rs. 902.24 lakhs and Plant and machinery amounting Rs. 2370.339 lakhs)

8 **Other Non-Current Financial Assets**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposits	85.06	116.65	117.63
TOTAL	**85.06**	**116.65**	**117.63**

9 **Other Non-current Assets**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Prepaid Expenes (Prepaid Rent)	2.17	2.61	3.02
Unamortized Transaction fees	17.48	15.09	18.68
TOTAL	**19.65**	**17.70**	**21.70**

10 **Inventories**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw Material	308.10	592.76	259.18
Work In process	1,061.22	1,464.14	1,040.47
Finished Goods			
Towel	840.44	875.49	147.45
Waste	1.26	2.55	1.25
Stores, Spares and Consumables	362.33	451.30	551.28
Dyes & Chemicals	205.11	224.51	225.46
Packing Material	14.04	40.52	29.70
TOTAL	**2,792.50**	**3,651.26**	**2,254.79**

(Refer Note 4.3 of accounting policy for valuation policy of inventories)

11 **Trade Receivables**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Receivables	7,342.88	5,898.60	5,062.82
Receivables from Related Parties	-	10.02	-
Less: Allowance for doubtful trade receivables	-	-	-
Total Receivables	**7,342.88**	**5,908.62**	**5,062.82**
Current portion	7,342.88	5,908.62	5,062.82
Non- current portion		-	-
Breakup of Security Details			
Secured, considered good	-	-	-
Unsecured, considered good	7,342.88	5,908.62	5,062.82
Doubtful		-	-
Total	7,342.88	5,908.62	**5,062.82**
Allowance for Doubtful Trade Receivables		-	-
Total Trade Receivables	**7,342.88**	**5,908.62**	**5,062.82**

12 **Cash and Cash Equivalents**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Bank Balances	13.76	498.18	5.01
Cash on Hand	3.06	9.29	6.61
TOTAL	**16.83**	**507.47**	**11.62**

13 **Others Current Financial Assets**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Forward Contract 1 Account (Fair Valuation)	-	42.50	71.40
Insurance Claim R2eceivable	31.23	31.23	-
Accrued Interest 3	0.06	5.24	-
TOTAL	**31.29**	**78.97**	**71.40**

14 Other Current Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advances Given	229.86	295.58	71.09
Prepaid Expenses	16.90	11.16	14.33
Income Tax Refundable	6.57	64.44	78.58
Vat Refundable	12.94	12.94	23.62
GST & Excise & Service Tax Receivable	706.38	2.04	1.35
Excise & Service Tax (Under Protest)	0.78	0.78	0.78
Input Tax Credit	14.88	3.23	2.58
Employee gratuity fund (Net of provision for gratuity)	20.80	9.66	-
Interest Receivable Under TUF Scheme	149.33	152.69	311.27
Incentives receivable (Export)	948.06	810.56	540.78
MAT Credit (as per Provisions of Income Tax Act, 1961)	-	-	104.69
TED Receivable	7.29	1.56	1.99
Interest Subsidy Under Customized Package	46.18	69.44	-
Unamortized Loan Processing Fees	4.52	3.60	3.60
TOTAL	**2,164.49**	**1,437.63**	**1,154.66**

15 Equity Share Capital

	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Share Capital			
1	**Authorised :**			
	70,00,000 (70,00,000) Equity Shares of Rs.10/- each	700.00	700.00	700.00
2	**Issued & Subscribed**			
	63,35,200 (63,35,200) Equity shares of Rs.10 each/-	633.52	633.52	633.52
3	**Fully Paid Up**			
	52,21,000 (52,21,000) Equity Shares of Rs.10/-each fully paid	522.10	522.10	522.10
	Add: Forfeited Equity Shares			
	11,14,200 (11,14,200) Equity Shares	59.43	59.43	59.43
	(* figures in bracket are of Previous Year)			
	TOTAL	**581.53**	**581.53**	**581.53**

(a) Rights, Preferences and restrictions attached to Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 each. Holder of equity shares is entitled to one vote per share and Dividend as and when declared by the Company.

In case of partly paid up share the shareholder shall be entitled to dividend only on the paid up share capital.

In case any shareholder makes any default in payment of any call he shall not be entitled to vote in annual general meeting.

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

(b) Reconciliation of the number of shares outstanding :-

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	No of shares	No of shares	No of shares
At the beginning of the year	5,221,000	5,221,000	5,221,000
Add: Issued during the year	-	-	-
Less: Bought Back during the year	-	-	-
At the end of the year	**5,221,000**	**5,221,000**	**5,221,000**

(c) Shares held by each shareholder holding more than 5% of number of shares:

	As at 31st March, 2018		As at 31st March, 2017	
Name of Shareholder	No.of Shares held	% of holding	No.of Shares held	% of holding
Mr. Manish Singhal	1,377,625	26.39%	1,377,625	26.39%
Mr. Gauri Shanker Kandoi	1,428,807	27.37%	1,428,807	27.37%
Mrs. Savitri Kandoi	420,500	8.05%	420,500	8.05%
M/s. Manish Singhal-HUF	340,000	6.51%	340,000	6.51%
M/s. Baldevdas Gauri Shanker Kandoi- HUF	330,400	6.33%	330,400	6.33%

16 Other Equity

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Reserves and Surplus			
1 General Reserve			
At the beginning of the year	36.47	36.47	36.47
Add; Additions during the year	-	-	-
Less: withdrawals/transfer	-	-	-
Balance at the year end	**36.47**	**36.47**	**36.47**
2 Surplus			
At the beginning of the year	4,477.90	3,328.89	2,573.68
Add; Additions during the year	781.49	1,001.95	755.21
Less: Reversal of Gain on Fair Valuation of Forward Contract for 01.04.2016	-	(71.39)	-
Reversal of DTA for 01.04.2016	-	218.45	
Add: withdrawals/transfer	46.89	-	-
Balance at the year end	**5,306.27**	**4,477.90**	**3,328.89**
TOTAL	**5,342.75**	**4,514.37**	**3,365.36**

*Capital Reserve: Transferred to Other non current liabilities due to Ind AS 20

17 Non Current Borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Term Loan			
Secured			
From Bank			
State Bank of India			
Term Loan III	428.57	772.57	1,116.57
Term Loan IV	82.54	124.54	166.54
Term Loan V	212.43	265.55	318.67
Term Loan VI	2,746.00	3,098.00	3,450.00
State Bank of India			
Term Loan	1,645.00	1,929.00	2,173.00
HDFC			
Term Loan	2,022.00	-	-
Total	**7,136.54**	**6,189.66**	**7,224.78**
Less : Current maturities of long term borrowings	**1,075.12**	**1,075.12**	**1,035.12**
TOTAL	**6,061.42**	**5,114.54**	**6,189.66**

Nature of Security and terms of repayment for Long Term secured borrowings:

Nature of Security

i Term loan from bank **(Term Loan III)**, balance outstanding amounting to Rs. 428.57 lakhs (March 31, 2017 : Rs. 772.57 lakhs and April 1, 2016 :Rs. 1116.57 lakhs) is secured by pari passu charge by way of equitable mortgage in favour of both banks against all existing and future fixed assets of the Company and further guaranteed by Mr. G. S. Kandoi and Mr. Manish Singhal, Directors of the company in their personal capacity.

Repayable in 26 quarterly installments starting from January, 2013. Last installment due in April, 2019. Rate of interest 9.65% p.a. as at year end. (March 31, 2017: 10.80% p.a. and April 1, 2016 : 11.05 %p.a.)*

ii Term loan from bank **(Term Loan IV)**, balance outstanding amounting to Rs. 82.54 lakhs (March 31, 2017 : Rs. 124.54 lakhs and April 1, 2016 :Rs. 166.54 lakhs) is secured by pari passu charge by way of equitable mortgage in favour of both banks against all existing and future fixed assets of the Company and further guaranteed by Mr. G. S. Kandoi and Mr. Manish Singhal, Directors of the company in their personal capacity.

Repayable in 30 quarterly installments starting from December, 2012. Last installment due in March, 2020. Rate of interest 9.65% .p.a. as at year end. (March 31, 2017: 10.80% p.a. and April 1, 2016 : 11.05% p.a.)*

iii Term loan from bank **(Term Loan V)**, balance outstanding amounting to Rs. 212.43 lakhs (March 31, 2017 : Rs. 265.55 lakhs and April 1, 2016 :Rs.

Repayable in 32 quarterly installments starting from June, 2015. Last installment due in March, 2023. Rate of interest 9.65% .p.a. as at year end. (March 31, 2017: 10.80% p.a. and April 1, 2016 : 11.05%p.a.)*

318.67 lakhs) is secured by pari passu charge by way of equitable mortgage in favour of both banks against all existing and future fixed assets of the Company and further guaranteed by Mr. G. S. Kandoi and Mr. Manish Singhal, Directors of the company in their personal capacity.

iv	Term loan from bank **(Term Loan VI)**, balance outstanding amounting to Rs. 2746 lakhs (March 31, 2017 : Rs. 3098.00 lakhs and April 1, 2016 :Rs. 3450.00 lakhs) is secured by pari passu charge by way of equitable mortgage in favour of both banks against all existing and future fixed assets of the Company and further guaranteed by Mr. G. S. Kandoi and Mr. Manish Singhal, Directors of the company in their personal capacity.	Repayable in 32 quarterly installments starting from June, 2016. Last installment due in March, 2024. Rate of interest 9.65%.p.a. as at year end. (March 31, 2017: 10.80% p.a. and April 1, 2016 : 11.05%p.a.)*
v	Term loan from bank **(SBI Term Loan)**, balance outstanding amounting to Rs. 1645 lakhs (March 31, 2017 : Rs. 1929.00 lakhs and April 1, 2016 :Rs. 2173.00 lakhs) is secured by pari passu charge by way of equitable mortgage in favour of both banks against all existing and future fixed assets of the Company and further guaranteed by Mr. G. S. Kandoi and Mr. Manish Singhal, Directors of the company in their personal capacity.	Repayable in 32 quarterly installments starting from October, 2015. Last installment due in July, 2023. Rate of interest 9.65%.p.a. as at year end. (March 31, 2017: 11.00% p.a. and April 1, 2016 : 10.90% p.a.)*
vi	HDFC Term Loan: First Parri Pasu charge on entire Fixed Assets with SBI and Second Parri Passu charge on entire Current Assets of the company with SBI further personal gurantee of Mr. GS Kandoi, Mr Manish Singhal and Prity Singhal, the directors of the company.	Repayment Term: 8 years including moratorium of 18 months. Repayment will start from the forth quarter of F.Y. 2018-19. Rate of Interest: 8.95%.

Installments falling due within a year in respect of all the above Loans aggregating 1075.12 lakhs (March 31, 2017 : Rs. 1075.12 lakhs and April 1, 2016 : Rs. 1035.12 lakhs) have been grouped under "Current maturities of long term borrowings " **(Refer Note 20)**

* Rate of Interest is without considering interest subsidy under TUF scheme

18 Deferred tax liabilities (Net)

Particulars		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Deferred tax liabilities (Net)	362.89	679.27	717.07
	TOTAL	**362.89**	**679.27**	**717.07**

19 Other Non Current Liabilities

Particulars		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Government Grants	818.27	475.59	566.79
	TOTAL	**818.27**	**475.59**	**566.79**

20 Current Borrowings

	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Loan payable on demand from Banks :			
	Secured			
1	**State Bank of India**			
	a. Cash Credit Account	-	73.84	58.62
2	**State Bank of India-2**			
	a. Cash Credit Account	357.74	492.70	529.54
	b. Packing Credit Limit	4,364.54	4,618.68	2,926.18
3	**HDFC**			
	a. Cash Credit Account	253.08	-	-
	b. Packing Credit Limit	385.38	-	-
	TOTAL	**5,360.74**	**5,185.22**	**3,514.34**

Loans payable on demand from SBI is secured by parri passu charge way of hypothecation of stock of Raw Material, Finished goods, Work in process, Store & spares, Book Debts exept receivable of agency division and all current assets of the company.

The loans are further personal guaranteed of Mr. G. S. Kandoi and Mr. Manish Singhal Directors of the company .

Cash Credit Limits with State Bank of India (SBI) is secured by Hypothecation of receivables of Agency Division under Electronic dealer Finance Scheme (e-dfs).

HDFC CC - The company had taken CC limit from HDFC bank. This CC limit is secured by First Parri Pasu charge on entire Current Assets with SBI and Second Parri Passu charge on entire Fixed Assets of the company with SBI further personal gurantee of Mr. GS Kandoi, Mr Manish Singhal and Prity Singhal, the directors of the company.

21 Trade Payables

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
For Goods			
Micro, Small & Medium Enterprises*			
Others	1,397.33	1,204.73	900.03
TOTAL	**1,397.33**	**1,204.73**	**900.03**

*The Company has not received any intimation from any of its suppliers about their having filed a memorandum in persuance of Micro, Small and Medium Enterprises Development Act, 2006. Hence, the disclosure requirement u/s 22 of MSMED Act, 2006 is not applicable to the Company.

22 Other Current Financial Liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current maturities of long term borrowings	1,075.12	1,075.12	1,035.12
Liabilities for expenses	578.49	560.09	451.22
Security Deposit	12.97	3.09	12.03
Current Account	610.10	261.65	58.86
Forward Contract (Fair valuation)	53.70	-	-
Unamortized Finance Cost	2.51	-	-
TOTAL	**2,332.89**	**1,899.95**	**1,557.23**

23 Other Current Liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory Liabilities	53.78	73.58	55.61
Advance from Customers	122.04	153.51	75.09
TOTAL	**175.82**	**227.09**	**130.70**

24 Provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for gratuity (Net of Gratuity Fund)	-	-	10.68
Provision for Leave Encahment	23.47	23.65	44.80
Provision for Bonus	191.28	229.95	219.02
TOTAL	**214.75**	**253.60**	**274.50**

25 Current Tax Liabilities (Net)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Income Tax	500.00	634.91	286.83
Less: Advance Tax	(278.00)	(341.65)	(136.33)
Less: MAT Credit Entitlement	-	(238.47)	-
TOTAL	**222.00**	**54.79**	**150.50**

26 Revenue From Operations

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a)	**Sale of products**		
	Terry Towels (Net)	20,739.79	20,746.98
(b)	**Sale of Services**		
	Commission Income	92.76	80.17
	Processing Charges	-	9.13
(c)	**Other operating revenue**		
	Duty Drawback	820.28	1,389.30
	ROSL Scheme	528.85	40.90
	Duty Credit Scripts	545.70	379.00
	Total	**22,727.38**	**22,645.48**

27 Other Income

Particulars		Year ended 31st March, 2018	Year ended 31st March, 2017
(a)	**Interest**		
	Other Interest	163.49	120.07
(b)	**Other non operating revenue**		
	Foreign Exchange Gain	366.04	249.76
	Rental Income	6.57	36.48
	Other income	0.52	2.49
	Apportioned income from Goverment Grants (including TED Refund)	4.60	8.47
	Sundry Balances written off	1.50	5.89
	Excess Provision written off	1.69	-
	Sampling Charges	0.23	0.04
	Withdrawl from Capital Reserve	85.45	85.45
	Total	**630.09**	**508.65**

28 Cost of Material Consumed

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Raw Material Consumed		
Opening Stock	592.76	259.18
Add: Purchases of Yarn	8,728.35	9,957.51
Purchase of Dyed Towelling Fabric	167.18	592.73
Freight	0.79	0.04
	9,489.08	10,809.46
Less: Closing Stock	308.10	592.76
	9,180.98	**10,216.70**
Dyes & Chemicals Consumed		
Opening Stock	224.51	225.46
Add: Purchases	1,810.70	2,016.29
Freight	5.99	8.70
	2,041.20	**2,250.45**
Less: Closing Stock	205.11	224.51
	1,836.09	**2,025.94**
Excise Duty	-	3.73
	11,017.07	**12,246.37**

29 Changes in inventories of Finished Goods & WIP

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening Inventories		
Finished Goods (Towel)	875.49	147.45
Work in progress	1,464.14	1,040.47
Saleable Waste	2.55	1.25
	2,342.18	**1,189.17**
Closing Inventories		
Finished Goods (Towel)	840.44	875.49
Work in progress	1,061.22	1,464.14
Saleable Waste	1.26	2.55
	1,902.92	**2,342.18**
INCREASE/(DECREASE)	**439.26**	**(1,153.01)**

30 Manufacturing expenses

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Consumable Stores	778.06	794.86
Job Charges	653.36	534.88
Packing Material	475.46	458.45
Power & Fuel	2,431.28	1,961.44
Repairs & Maintenance- Building	56.58	50.02
Repairs & Maintenance- Plant & Machinery	52.82	48.59
Stores & Spares	440.01	414.73
Other Manufacturing Expenses	206.81	138.90
Total	**5,094.38**	**4,401.87**

31 Employee benefits expense

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries & Wages	2,121.15	2,283.14
Contribution to Provident Fund	53.54	53.16
Contribution to ESIC	40.23	34.06
Contribution to Gratuity	-	3.42
Staff welfare Expenses	104.73	222.56
Total	**2,319.65**	**2,596.34**

32 Financial expense

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Expenses	419.09	455.12
Other Borrowing Costs	101.98	117.90
Total	**521.07**	**573.02**

33 Other expenses

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Insurance	17.47	10.97
Rent	22.53	23.68
Clearing & Forwarding Charges	545.70	462.46
Commission on sale	395.00	481.32
Payment to Auditors	-	
- As Auditor	0.71	1.20
Miscellaneous Expenses	446.22	434.97
Amortization of Loan Fees	3.60	3.60
Total	**1,431.23**	**1,418.20**

34 Exceptional Items

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
ERP Written Off	-	(36.60)
Total	**-**	**(36.60)**

35 Income Tax Expenses

Tax expense recognized in the Statement of Profit and Loss

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Current Tax		
Current Tax on taxable income for the year (Net of MAT Credit)	500.00	425.44
Total Current Tax expense	**500.00**	**425.44**
Deferred Tax		
Deferred Tax charge/(credit)	(316.38)	180.65
Total Deferred Income Tax expense/(benefit)	**(316.38)**	**180.65**
Tax in respect of earlier years	**14.90**	**-**
Total income tax expense (including previous year)	**198.52**	**606.09**

36 FINANCIAL RISK MANAGEMENT

36.1 Financial risk management objectives and policies

- The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

36.2 Financial risk factors

- The Company's principal financial liabilities comprise of trade payables, borrowings and other liabilities. The main purpose of these financial liabilities is to manage finances for the Company's operations and also for purchase of capital assets and for safeguarding its interests under contracts.
- The Company has trade and other receivables and cash and cash equivalents that arise directly from its operations as a part of its financial assets.
- The Company's activities expose it to a variety of financial risks:

a. Market risk

- Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices/market interest rates.

(i) **Interest rate risks:**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. According to the Company interest rate risk exposure is only for floating rate borrowings which it had taken from HDFC bank rest of the borrowing of the company are fixed rate borrowing which are not subject to market risk.

Exposure to Interest rate risk

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Total Borrowings	11,422.16	10,299.76	9,704.00
% of Borrowings out of above bearing variable rate of interest	100.00%	100%	100%

(ii) **Foreign currency risk:**

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Total export debtors	5,931.82	4,902.33	4,249.31
Hedged export debtors (Forward contract taken)	5,274.89	0.69	1,619.71
Undedged export debtors	656.93	4,901.64	2,629.61

b. Credit risk

! Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

! To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets.

! The Company makes major of its export sales, against a security in the nature of Letter of Credit , and hence the credit risk is minimal with regard to export debtors. However the company makes local sales and it is subject to credit risk the company manages this risk by recognising 100 % expected credit loss on debtors outstanding for more than 36 months.

The ageing of trade receivables as on 31st March 2018 is as below:

(In Lac)

Particulars	**Due upto 36 Months**	**Due for more than 36 Months**	**Total**
Good	7342.88	-	7342.88
Doubtful	-	-	-
Others	-	-	-
Gross	-	-	-
Expected Credit Losses	-	-	-

The ageing of trade receivables as on 31st March 2017 is as below: (In Lac)

Particulars	**Due upto 36 Months**	**Due for more than 36 Months**	**Total**
Good	5908.62	-	5908.62
Doubtful	-	-	-
Others	-	-	-
Gross	5908.62	-	5908.62
Expected Credit Losses	-	-	-

c. Liquidity risk

! Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

! The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash requirements. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs.

37 Fair Value Measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

2. IND AS 101 allows Company to fair value its property, plant and machinery on transition to IND AS, the Company has fair valued property, plant and equipment, and the fair valuation is based on deemed cost approach where the existing carrying amounts are treated as fair values.

The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate.

In case of security deposits, Company has used the fixed deposit rate of the year of making advance.

They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For other financial assets and liabilities that are measured at amortised cost, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices / published NVA (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published mutual fund operators at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(Amount in Rs. Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at amortised cost						
Trade Receivables	7,342.88	7,342.88	5,908.62	5,908.62	5,062.82	5,062.82
Cash & Cash Equivalents	16.83	16.83	507.47	507.47	11.62	11.62
Other Financial Assets	116.35	116.35	153.12	153.12	117.63	117.63

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at fair value through other comprehensive income	-	-	-	-	-	-

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at fair value through profit and loss						
Forward Contracts	-	-	42.50	42.50	71.40	71.40

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at amortised cost						
Borrowings (Non-Current and Current)	11,422.16	11,422.16	10,299.76	10,299.76	9,704.00	9,704.00
Trade Payables	1,397.33	1,397.33	1,204.73	1,204.73	900.03	900.03
Other Financial Liabilities	2,279.18	2,279.18	1,899.95	1,899.95	1,557.23	1,557.23

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at fair value through profit and loss	53.70	53.70	-	-	-	-

38 FAIR VALUE HEIRARCHY

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

a Quoted prices/published NAV (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

b Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, interest free security deposits) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

c Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair Value of Financial Assets and Financial Liabilities accounted for in the Standalone Financial Statements as on the reporting date of the entity

(In Lac)

As at 31st March 2018			
Particulars	**Level 1**	**Level 2**	**Level 3**
Financial Assets			
Trade Receivables	-	-	7,342.88
Cash & Cash Equivalents	-	-	16.83
Other Financial Assets	-	-	116.35
Financial Liabilities			
Borrowings (Non-Current and Current)	-	-	11,422.16
Trade Payables	-	-	1,397.33
Other Financial Liabilities	-	-	2,279.18
Forward Contracts	53.70	-	-

As at 31st March 2017			
Particulars	**Level 1**	**Level 2**	**Level 3**
Financial Assets			
Trade Receivables	-	-	5,908.62
Cash & Cash Equivalents	-	-	507.47
Other Financial Assets	-	-	153.12
Forward Contracts	42.50	-	-
Financial Liabilities			
Borrowings (Non-Current and Current)	-	-	10,299.76
Trade Payables	-	-	1,204.73
Other Financial Liabilities	-	-	1,899.95

As at 1st April 2016			
Particulars	**Level 1**	**Level 2**	**Level 3**
Financial Assets			
Trade Receivables	-	-	5,062.82
Cash & Cash Equivalents	-	-	11.62
Other Financial Assets	-	-	117.63
Forward Contracts	71.40	-	-
Financial Liabilities			
Borrowings (Non-Current and Current)	-	-	9,704.00
Trade Payables	-	-	900.03
Other Financial Liabilities	-	-	1,557.23

During the year ended March 31, 2018 and March 31, 2017, there were no transfer into and out of Level 1 fair value measurements.

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at March 31, 2018 and March 31, 2017, respectively:

Particulars	Fair Value Heirarchy	Valuation Technique	Inputs Used
Financial Assets			
Forward Contracts	Level 1	Quoted prices	

39. CAPITAL RISK MANAGEMENT

Objective

The primary objective of the Company's capital management is to maximize the shareholder value. i.e. to provide maximum returns to the shareholders. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns to the shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2018 and March 31, 2017.

Policy

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the rules and regulations framed by the Government.

Process

The Company manage its capital by maintaining sound/optimal capital structure financial ratios, such as net debt-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. Debt-to-equity ratio as of March 31, 2018, March 31, 2017 and April 1, 2016 is as follows:

(Amount in lakhs)

Particulars	As on 31st March 2018	As on 31st March 2017	As on 1st April 2016
Total debt	6,061.42	5,114.54	6,189.66
Total equity	5,924.29	5,095.90	3,946.89
Ratio	1.02	**1.00**	**1.57**

40 PROVISIONS

Movement in each class of provision during the financial year are provided below: **(Amount in lakhs)**

Particulars	Provision for Bonus	Provision for Gratuity	Provision for Leave encashment	Provision for Taxation
As at 1st April 2016	219.02	91.11	44.80	286.83
Addition during the year	229.43	3.42	-	559.22
Actual Benefits Paid	(218.49)	(0.45)	(21.15)	(791.26)
As at 31st March 2017	**229.96**	**94.09**	**23.65**	**54.79**
Excess provision reversed	-	(1.69)	-	-
Addition during the year	191.28	-	11	500
Actual Benefits Paid/Utilized	(229.96)	(6.57)	(11.09)	(54.79)
As at 31st March 2018	**191.28**	**85.82**	**23.47**	**500.00**

Effective Tax Reconciliation

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

Particulars	Provision for Bonus	Provision for Gratuity	Provision for Leave encashment	Provision for Taxation
As at 31st March 2017				
Current	229.96	-	23.65	54.79
Non Current	-	94.09	-	-
	229.96	**94.09**	**23.65**	**54.79**
As at 31st March 2018				
Current	191.28	-	23.47	500.00
Non Current	-	85.82	-	-
	191.28	**85.82**	**23.47**	**500.00**

41 INCOME TAX EXPENSE

(Amount in lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Current Tax	500.00	425.44
Deferred Tax	(316.38)	180.65
Tax in respect of earlier years	14.90	-
Total tax expense (For Current year)	**198.52**	**606.09**

(Amount in lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit as per AS	980.01	1614.49
Ind AS Adjustments (before tax)	-	(6.45)
Net Income before taxes	**980.01**	**1608.04**
Applicable Tax Rate	34.61%	34.61%
Computed Tax Expense	**339.16**	**556.51**
Increase/decrease in taxes on account of :		
Non deductible expenses	560.30	591.91
Additional expense deductable under income tax act	(2.78)	(2.78)
Income not taxable	(402.26)	(514.30)
Income tax on income chargable under other head	1.59	8.84
Computed Income Tax Expense	496.02	640.18
Income Tax Expense Reported	**496.02**	**640.18**

For the year ended 31st March 2016, Ind AS Adjustments amounting to Rs.6.39 Lac have been made in the Statement of Profit and Loss. On this amount, income tax expense amounting to Rs.2.21 Lac has been adjusted to reconcile the Income Tax expense with the computed amount.

Deferred Tax Assets (Liabilities)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

(Amount in lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Deferred Tax Asset		
Provision for Leave Encahment	8.12	8.18
Goodwork Incentive	0.53	-
Government Grant	151.31	-
Uamortised Finance Cost	0.87	-
Provision for Bonus	66.20	79.58
	227.03	**87.77**
Deferred Tax Liability		
Forward Contract Account (Gain on Fair Valuation)	-	(14.71)
Insurance Claim Receivable	-	(10.81)
Property, Plant and Equipment	(582.31)	(757.75)
Unamortized transaction cost	(7.61)	-
Trade receivables	-	16.23
	(589.92)	**(767.04)**
Net Deferred Tax Asset(Liability)	**(362.89)**	**(679.27)**

42 Related Party Transactions

In accordance with the requirements of IND AS 24, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are reported as under:

(i) Related party name and relationship

(a) Executive Directors:

Particulars	Designation
Shri Ramesh Chand Maheshwari	Executive Director
Shri G S Kandoi	Chairman & Managing Director
Shri Manish Singhal	Executive Director

(b) Relatives of Key Managerial Persons with whom transactions have taken place:

Particulars	Relation
Smt. Savitri Kandoi	Wife of Shri G.S.Kandoi
Shri Vivek Singhal	Son of shri G.S. Kandoi

(c) Non Excecutive Directors, KMP and Enterprises Over which they are able to exercise significant influence (With whom transaction have taken place):

Particulars	Designation
Shri Rameshwar Pareek	Non Executive Director
Shri Kamlesh Sharma	Non Executive Director
Shri Radhey Shyam Gemini	Non Executive Director
Shri Raj Kumar Agarwal	Non Executive Director
Smt. Prity Singhal	Non Executive Director
Shiv Ratan Sharma	Chief Financial Officer
M/s B I Enterprises Pvt. Ltd.	Related Concern
M/s Chrome International Co. Ltd.	Related Concern

(ii) Transactions Carried Out With Related Parties referred in point 1 above in ordinary course of Business

(Amount In lakhs)

Nature of Transactions	Related Parties		
	Referred to in 1(a) above	Referred to in 1(b) above	Referred to in 1(c) above
Purchases			
Goods & Material	-	-	1,548.47
Sales			
Goods & Material & Services	-	-	325.50
Short term Employee Benefit Expenses	153.13	25.50	27.81
Interest Paid	10.38	0.55	9.98
Rent Expense	-	-	17.92
Other Reimbursements	-	0.05	-

Nature of Transactions	Related Parties		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Outstandings			
Payable (Trade Paybles and other Liabilities)			
Key Management Personnel	614.67	263.83	51.78
Relatives of Key Managerial Personnel	4.89	316.05	257.02
End of the year	619.56	579.88	308.80
		-	-
Executive Directors Compensation			
(a) Short term Employee Benefits	153.13	124.00	96.00
Total Compensation	153.13	124.00	96.00

43 CONTINGENT LIABILITIES

(Amount In lakhs)

S.No.	Particulars	As at March 31,2018	As at March 31,2017	As at April 1, 2016
	(I) Contingent Liabilities			
(i)	Bank Guarantees	427.00	420.00	370.00
(ii)	Civil suit	13.76	-	-
	TOTAL	440.76	420.00	370.00

44 CAPITAL COMMITMENTS

(Amount In lakhs)

S.No.	Particulars	As at March 31,2018	As at March 31,2017	As at April 1, 2016
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	318.78	800.00	-
	TOTAL	318.78	800.00	-

45 SHORT - TERM EMPLOYEE BENEFITS:-

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognised in the period in which the employee renders the related services

The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability after deducting any amount already paid.

POST RETIREMENT BENEFIT PLANS

Defined Contribution Plan:

Contribution to superannuation fund is recognised as an expense in the Statement of Profit & Loss as it is incurred. There are no other obligations other than the contribution payable to the respective trust. Eligible employees receive benefits from a provident fund which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

Defined Benefits Plan

(i) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

Actuarial Valuation **(Amount In lakhs)**

Particulars	Current Year	Previous Year
PV of Past Service Benefit	77.25	59.15
Current Service Cost	29.48	34.94
Total Service Gratuity	876.92	1,181.77
Accrued Gratuity	85.82	72.37
LCSA	636.31	1,039.23
LC Premium	1.20	1.79
Service Tax/GST	0.22	0.27

Recomended Contribution Rate **(Amount In lakhs)**

Particulars	Amount (Rs.)	Amount (Rs.)
Fund Value as on renewal date/Initial	106.62	103.68
Additional Contribution for existing fund	-	-
Current Service Cost	19.00	8.31
Total Amount Payable	20.42	10.37

Actuarial Assumptions

Particulars	Amount (Rs.)	Amount (Rs.)
Mortality Rate	LIC (2006-08) ultimate	LIC (2006-08) ultimate
Withdrawal Rate	1% to 3% depending on	1% to 3% depending on
Discount Rate	7.5% p.a.	8% p.a.
Salary Escalation	7%	7%

46 **Disclosures required under Ind AS 108**

In accordance with Accounting Standard Ind AS 108 'Operating Segment ', segment information has been given as follows:

Operating Segments:

(i) Textile Division :-Manufactuiring and marketing of terry towels, made-ups, readymade garment like bathrobes, babyhood towels, pillows etc. in the domestic and inter- national market.

(ii) Agency Division : Consigment Stockiest of GAIL (India) Ltd. for marketing and distribution of polymers in Rajasthan and

(iii) Technichal Textile Division : Manufacturing of artificial leather through technical textile

Identification of Segments:

The Managing board monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as others

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as others

(Amount In lakhs)

Particulars	Textile		Technical Textile		Others		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1 Segment Revenue								
Sales and other revenue	20,739.79	20,756.11	-	-	92.77	80.17	20,832.56	20,836.28
Other Operating Income	1,894.82	1,809.19	-	-	-	-	1,894.82	1,809.19
Interest Income	4.30	7.14	0.06	-	159.13	112.56	163.49	119.70
Other Income	440.76	352.93	17.25	-	8.59	36.04	466.60	388.97
Total Revenue	**23,079.67**	**22,925.37**	**17.31**	**-**	**260.49**	**228.77**	**23,357.47**	**23,154.13**
2 Segment Results								
Profit before interest, depreciation & tax	2,922.21	3,469.48	-12.38	-	146.05	138.31	3,055.88	3,607.78
Interest Expenses	404.77	525.54	45.40	-	70.90	47.47	521.07	573.02
Depreciation & Amortization	1,532.57	1,404.81	2.21	-	20.02	21.90	1,554.80	1,426.71
Provision for tax	-	-	-	-	198.52	606.09	198.52	606.09
Profit/(Loss) after tax	**984.87**	**1,539.12**	**(60.00)**	**-**	**(143.38)**	**(537.16)**	**781.49**	**1,001.95**
3 **Other Information**								-
a Segment Assets	16,731.47	18,633.28	3,767.75	217.34	2,371.19	1,340.05	22,870.39	20,190.68
Total Assets	**16,731.47**	**18,633.28**	**3,767.75**	**217.34**	**2,371.19**	**1,340.05**	**22,870.39**	**20,190.68**
b Segment Liabilities	10,782.42	13,583.38	3,826.50	39.88	2,337.22	1,471.51	16,946.13	15,094.78
Total Liabilities	**10,782.42**	**13,583.38**	**3,826.50**	**39.88**	**2,337.22**	**1,471.51**	**16,946.13**	**15,094.78**

47 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets Pledged as security for current and non-current borrowings are:

(Amount In lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current Assets			
Financial Assets			
Floating Charge	-	-	-
Cash & Cash Equivalents	16.83	507.47	11.62
Receivables	7,342.88	5,908.62	5,062.82
Fixed Deposit lien by bank against term loan	-	-	-
Short Term Loans & advances	229.86	295.58	71.09
Non Financial Assets			
Floating Charge	-	-	-
Inventories	2,792.50	3,651.26	2,254.79
Other Current Assets	2,164.49	1,437.63	1,154.66
Total Current assets Pledged as security	**12,546.56**	**11,800.56**	**8,554.99**
Non Current Assets			
First Charge			
Land	585.28	581.90	587.75
Building	1,493.52	1,557.42	1,551.10
Furniture, fittings and equipment	69.61	55.89	42.17
Plant and Machinary including Store & Spares	4,566.68	5,728.14	6,484.23
Fixed Deposit lien by bank against term loan	-	-	-
Others	-	452.63	568.31
Total non-current assets Pledged as security	**6,715.09**	**8,375.98**	**9,233.56**
Total assets Pledged as security	**19,261.65**	**20,176.54**	**17,788.54**

48 EARNINGS PER SHARE

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

(in number)

Particulars	**For the year ended 31st March 2018**	**For the year ended 31st March 2017**
Issued number equity shares	5,221,000	5,221,000
Potential Equity Shares	-	-
Weighted average shares outstanding - Basic and Diluted	5,221,000	5,221,000

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

(Amount In lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit and loss after tax	**781.50**	**1,001.95**
Profit and loss after tax for EPS	781.50	1,001.95
Basic Earnings per share (in Rs.)	14.97	19.19
Diluted Earnings per share (in Rs.)	14.97	19.19

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

49 INVESTMENT PROPERTY

*The company has given on rent a portion of its factory building situated at_C-171, Road No. 9J, VKI however the portion given on rent is insignificant and major portion of the factory is used in manufacturing activities hence the company has not recognised sepretly such poriton as an investment property by taking of the view given in para 10 of IND AS 37 "**Investment Property**"

50 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

(Amount In lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Amount required to be spent as per Section 135 of the Act	**21.19**	**16.54**
Amount spent during the year on:	17.06	25.94

51 Financial and Derivatives Instruments

The company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments on forecasted as transactions as approved by Board of Directors. The company does not use forward contracts for speculation purpose.

Outstanding forward exchange financial instruments entered into by the company as on 31.3.2018 is as under:

(Amount in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
No. of contracts	18	2
US Dollar	8,000,000	1,000,000
EURO	70,000	-
INR equivalent	5,274.89	691.00

Value of Imports on CIF basis:- (Amount in lakhs)

Particular	As at 31st March, 2018	As at 31st March, 2017
Spare parts & consumbles	222.41	293.69
Capital Goods	1,571.05	16.06

Value of Raw Material, Components, & Spare Parts consumed

(Amount in lakhs)

Particular	As at 31st March, 2018		As at 31st March, 2017	
	Amount	%	Amount	%
Raw material				
Imported	-	-	-	-
Indigenous	11,017.07	100.00	12,246.37	100.00
Spare parts				
Imported	192.86	15.53	39.20	21.83
Indigenous	1,048.88	84.47	140.40	78.17

Expenses in foreign currency (Amount in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Travelling	3.92	20.64
Commission	235.02	368.86
Marketing/ Exhibition Exp.	3.29	2.82
Misc. Exp.	-	8.65
Testing Fee	5.35	11.87

Earning in Foreign Currency

(Amount in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Export of Goods on FOB Basis	18,897.23	18,870.78

52 **FIRST TIME IND AS ADOPTION RECONCILIATIONS**

Effect of Ind AS adoption on the Standalone Balance Sheet as at March 31, 2017 and April 1, 2016

Particulars	Note No.	As on March 31, 2017 (GAAP)	Effect of transition to Ind AS	As on March 31, 2017 (IND AS)	As on March 31, 2016 (GAAP)	Effect of transition to Ind AS	As on April 1, 2016 (IND AS)
(1) ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	A	8,394.91	2.88	8,397.79	9,174.13	78.96	9,253.09
(b) Capital WIP		74.59	-	74.59	-	-	-
(c) Financial Assets							
(i) Others financial assets	B(i)	119.67	(3.02)	116.65	121.02	(3.39)	117.63
(d) Other non-current assets	B(i),(ii)	-	17.70	17.70	-	21.70	21.70
(2) Current assets							
(a) Inventories	A(i)	3,651.26	-	3,651.26	2,318.93	(64.14)	2,254.79
(b) Financial Assets							
(i) Trade receivables	B(iii)	5,955.51	(46.89)	5,908.62	5,109.71	(46.89)	5,062.82
(ii) Cash and cash equivalents		507.47	-	507.47	11.62	-	11.62
(iii) Loans		-	-	-	-	-	-
(iv) Others current financial assets	B(iii)	36.47	42.50	78.97	-	71.40	71.40
(c) Other current assets	B(i),(ii),(iii) & C(i)	2,218.72	(781.09)	1,437.63	1,231.12	(76.46)	1,154.66
Total Assets		**20,958.60**	**(767.92)**	**20,190.68**	**17,966.53**	**(18.82)**	**17,947.71**
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital		581.53	-	581.53	581.53	-	581.53
(b) Other Equity		4,899.16	(384.79)	4,514.37	4,088.99	(723.63)	3,365.36
LIABILITIES							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings		5,114.54	-	5,114.54	6,189.66	-	6,189.66
(b) Deferred tax liabilities (Net)	D	792.06	(112.79)	679.27	498.62	218.45	717.07
(c) Other Non Current Liabilities	A(iii)	-	475.59	475.59	-	566.79	566.79
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		5,185.22	-	5,185.22	3,514.35	-	3,514.35
(ii) Trade payables		1,204.73	-	1,204.73	900.03	-	900.03
(iii) Other financial liabilities		2,645.88	(745.93)	1,899.95	1,557.22	-	1,557.22
(b) Other current liabilities		227.09	-	227.09	130.70	-	130.70
(c) Provisions		253.60	-	253.60	354.93	(80.43)	274.50
(d) Current Tax Liabilities (Net)		54.79	-	54.79	150.50	-	150.50
Total Equity and Liabilities		**20,958.60**	**(767.92)**	**20,190.68**	**17,966.53**	**(18.82)**	**17,947.71**

53. FIRST TIME IND AS ADOPTION RECONCILIATIONS

Effect of Ind AS adoption on the Standalone statement of profit and loss for the year ended March 31, 2017

	Particulars	Note No.	Year ended 31st March, 2017 (GAAP)	Adjustments	Year ended 31st March, 2017 (IND AS)
I	Revenue From Operations	E	22,641.75	3.73	22,645.48
II	Other Income	A(i), A(iii) & B(iii)	411.03	97.62	508.65
III	**Total Income (I+II)**		**23,052.78**	**101.35**	**23,154.13**
IV	**EXPENSES**				
	Cost of Material Consumed	F	12,269.30	-22.93	12,246.37
	Changes in inventory of finished goods		(1,153.01)	-	-1,153.01
	Manufacturing expense		4,401.87	-	4,401.87
	Employee benefits expense		2,596.34	-	2,596.34
	Finance costs	F	546.36	26.66	573.02
	Depreciation and amortization expense	A(i),A(iii)	1,412.05	14.65	1,426.70
	Other expenses	E	1,414.23	3.97	1,418.20
	Total expenses (IV)		21,487.14	22.35	21,509.49
V	Profit/(loss) before exceptional items and tax (I- IV)		1,565.64	79.00	1,644.64
	Withdrawl from Capital Reserve		85.45	(85.45)	-
VI	Exceptional Items		(36.60)	-	(36.60)
VII	Profit/(loss) before tax (V-VI)		1,614.49	(6.45)	1,608.04
VIII	Tax expense:				
	(1) Current tax		425.44	-	425.44
	(2) Deferred tax	D	293.44	(112.79)	180.65
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		895.61	106.34	1,001.95
X	Profit/(loss) for the period		895.61	106.34	1,001.95
XI	Other Comprehensive Income				
	(i) Items that will not be reclassified to profit or loss				
	(ii) Income tax relating to items that will not be reclassified to profit or loss				
	(i) Items that will be reclassified to profit or loss				
	(ii) Income tax relating to items that will be reclassified to profit or loss				
XII	Total Comprehensive Income for theperiod (X+XI)(Comprising Profit(Loss) and Other Comprehensive Income for the period)		895.61	106.34	1,001.95
XIII	**Earnings per equity share (After exceptional items)**				
	Basic		17.15		19.19
	Diluted		17.15		19.19

54. Reconciliation of Total Comprehensive Income

Particulars	**Amount**
Profit as per GAAP	**895.61**
Adjustments	
Apportionment of TED refund	8.47
Increase in depreciation expense	(14.65)
Amortization of loan fees	(3.60)
Gain on Fair Valuation of Forward Contract	42.50
Foreign Exchange Gain	(39.17)
Deffered tax impact	112.79
Total adjustments	**106.34**
Profit as per IND AS	**1,001.95**

Reconciliation of Other Equity

Particulars	Capital Reserve	General Reserve	Surplus	Total
Equity as on 31.03.2017 (As per GAAP)	**466.52**	**36.47**	**4,396.17**	**4,899.16**
Less: Government Grant	(466.52)	-	-	(466.52)
Less: Exchange Difference on Trade Receivables	-	-	(46.89)	(46.89)
Less: Amortization of Leasehold Land	-	-	(6.18)	(6.18)
Less: Reversal of Gain on Forward Contract as per IGAAP	-	-	(39.17)	(39.17)
Less: Depreciation on TED	-	-	(8.47)	-
Less: Reversal of Gain on Forward Contract	-	-	-	-
Add: Gain on Fair Valuation of Forward Contract	-	-	42.50	42.50
Add: Loan fee valued at amortised cost (Net)	-	-	18.68	18.68
Add: Reversal of Deferred Tax Liability	-	-	112.79	112.79
Add: Amortization of TED Refund	-	-	8.47	-
Add: Reversal of creation of Deferred Tax Liability	-	-	-	-
Total IND AS adjustments upto	(466.52)	-	81.73	(384.79)
Equity as on 31.03.2017 (As per IND AS)	**-**	**36.47**	**4,477.90**	**4,514.37**

Reconciliation of Other Equity

Particulars	Capital Reserve	General Reserve	Surplus	Total
Equity as on 31.03.2016 (As per Previous GAAP)	**551.96**	**36.47**	**3,500.56**	**4,088.99**
Less: Government Grant	(551.96)	-	-	(551.96)
Add: Loan valued at EIR	-	-	-	-
Less: Exchange Difference on Trade Receivables	-	-	(46.89)	(46.89)
Add: Gain on Fair Valuation of Forward Contract	-	-	71.39	71.39
Less: Amortization of Leasehold Land for the Prior Periods	-	-	-	-
Add: Transaction fee valued at amortised cost	-	-	22.28	22.28
Add: TED Refund Adjustment	-	-	-	-
Less: Creation of Deferred Tax Liability	-	-	(218.45)	(218.45)
Total IND AS adjustments upto	(551.96)	-	(171.67)	(723.63)
Equity as on 01.04.2016 (As per IND AS)	**-**	**36.47**	**3,328.89**	**3,365.36**

55 Notes to reconciliation

A Property, Plant and Equipment

(i) **Amortization of lease hold and**

Under previous GAAP, Leasehold land was recorded and classified as fixed assets and amortised over the lease period. However, under Ind AS, Leasehold land is governed by IND AS 17 leases. In accordance with IND AS 17 the company has recognised its lease hold land as Finance lease and shown Land under the head of Property Plant and equipment. Also the amount of land is amortized during the lease period. The net effect of this change is decrease in property, plant & equipment by 6,18,448.53 as at March 31, 2017, Nil as at April 1, 2016, and increase of amortization expense by 6,18,448.53 as at March 31, 2017.

(ii) **Capitalization of spares**

Under previous GAAP, the Company has recognised the capital spares under Inventory. However Under Ind AS, capital spares that qualifies the criteria of property, plant and equipment are recognised as PPE. Accordingly the company has capitalized spares having useful life of more than 12 months and corresponding depreciation is charged on them. The net effect of this change is increase in Property, plant and equipment by Nil as at March 31, 2017 (64,14,434 as at April 1, 2016) and decrease in Inventories by Nil as at March 31, 2017 (64,14,434 as at April 1, 2016) and decrease in total equity by Nil as at April, 2017.

(iii) **Government grant**

Under previous GAAP, grant related to fixed assets were adjusted in the cost of fixed asset. As per Ind AS 20, grant related to property, plant and equipment is required to be shown in balance sheet by setting up the grant as deferred income and not by deducting from the value of asset and the same is required to be transfer to profit and loss account on systematic basis. The effect of this change results in increase in property, plant & equipment by 17,54,318.54 as at March 31, 2017 (14,82,455.00 as at April 1, 2016), decrease in total equity by Nil as at March 31, 2017 (Nil as at April 1, 2016), increase in non-current liabilities by 17,54,318.54 as at March 31, 2017 (14,82,455.00 as at April 1, 2016) and increase in other current liabilities by Nil as at March 31, 2017 (Nil as at April 1, 2016)

(B) Financial Instrument

(i) **Discounting of security deposits**

Under previous GAAP, security deposits are carried at cost. As per Ind AS 109, security deposits (debt instruments) are required to be carried at amortized cost i.e. at present value of future cash flows. In accordance with the requirement of IND AS 109 the company has discounted the security deposits where ever the effect of time value of money is material and there is a contractual period. The effect of this change is decrease in other financial assets by 3,01,902.83 as at March 31, 2017 (3,39,357.45 as at April 1, 2016) and increase in other current assets by 3,01,902.83 as at March 31, 2017 (3,01,902.83 as at April 1, 2016). There had been increase in other income by 37,454.62 and other expenses by 37,454.62 for the year ended March 31, 2017 and decrease in retained earnings by 37,454.62 as at April 1, 2016.

(ii) **Amortization of transaction fees**

Under previous GAAP, processing fees related to borrowings were transferred in statement of profit and loss in the year of loan taken. As per Ind AS 109, borrowings are required to be recognised at amortised cost using effective interest rate method. The net effect of change is increase in other current assets by 3,59,751.56 as at March 31, 2017 (3,59,751.56 as at April 1, 2016), increase in non current asset by 15,08,656.65 as at March 31, 2017 (18,68,407.65 as at March 31, 2016) and increase in total equity by 18,68,407.65 as at March 31, 2017 (22,28,159.00 as at March 31, 2016). There had been increase in finance cost by 3,59,752.00 as at March 31, 2017.

(iii) **Exchange gain /loss on trade receivables and derecognition of forward contract**

Under previous GAAP, Trade Receivables on which forward contracts had been taken were restated at each reporting date using forward rate. Further, corresponding Forward Contract receivable and payable was recognized in books of account. Under IND AS 109, Trade Receivables on which forward contracts has been taken are required to be restated at each reporting date by using spot rate and exchange rate difference was booked. Further forward contract are not recognised in books of account however gain/loss on year end on forward contract is recognised in books of account.

C **Employee benefits**

(i) Under Indian GAAP, Amount invested by the company in gratuity fund of employee's is shown under current/non-current asset head and corresponding provision for gratuity is shown under the head of other current/non-current provision head. Under IND AS the company is required to net off the amount of gratuity fund with the gratuity liability and remaining asset/ liability (as the case may be) is required to be shown in financial statements in appropriate head. Due to this change the company has netted off the amount deposited in gratuity fund of Rs. 80.43 lacs with the provision for gratuity of Rs. 91.11 lac and shown the remaining liability of Rs. 10.68 in the provision head.

D. **Deferred Tax**

The Company has accounted for deferred tax on the various adjustments between Indian GAAP and IND AS at their effective tax rate. The net effect of this IND AS adjustment is Increase in DTL by 112.79 laks (increase in DTL by 218.45 lakhs) and Increase in other equity by 112.79 lakhs as at 31st March 2017 (Decrease in other equity by 218.45 lakhs)

E **Revenue**

As per the Indian GAAP, revenue from sale of products was presented as net of excise duty. Under IND AS, taxes collected by the entity on its own account are required to be included in the revenue. To comply with this requirment the company has shown revenue inclusive of exicse duty since the excise duty flows to the entity on its own account. Due to this change the total revenue of the entity has been increase by 3.73 lacs in F.Y. 2016-17 and cost of material consumption is also increased by same amount.

F **Finance cost element**

Under existing GAAP there was no guidance regarding finance element included in purchased cost of inventory hence the same was shown as a part of purchased cost however under IND AS finance element included in purchased cost of inventory is required to be sepretaly recognised as an element of finance cost instead of purchased cost. The net impact of this change is decrease in Cost of material consumed by 26.66 lakhs during F.Y. 2016-17 and increase in finance cost by 26.66 lakhs by 26.66 lakhs during F.Y. 2016-17.

FOR R SOGANI & ASSOCIATES FOR K G PETROCHEM LTD.
Chartered Accountants
FRN: 018755C

(BHARAT SONKHIYA)
Partner
M. No. 403023

Place : JAIPUR
Dated: 30.05.2018

(G. S. KANDOI)
Chairman Cum Managing Director
DIN: 00120330

(SAIED MOHAMMAD)
Company Secretary
M.No. 52869

For & on behalf of the Board
FOR K G PETROCHEM LTD.
(MANISH SINGHAL)
Director
DIN: 00120232

(SHIV RATAN SHARMA)
CFO