Notes to Financial Statements as at and for the year ended 31st March, 2018

1. Corporate Information

The Company was incorporated on 10th October 2016 and was a subsidiary of Orient Paper & Industries Ltd. (OPIL). A scheme of arrangement had been filed with the National Company Law Tribunal to demerge the consumer electric business of the holding Company (OPIL) by transferring the same on a going concern basis to the Company w.e.f 1st March 2017, which has subsequently been approved by the National Company Law Tribunal vide its order as stated in Note 28.

Pursuant to Scheme of Arrangement shares held by the demerged Company stands cancelled and post demerger, the Company is no more a subsidiary of OPIL.

The Company is primarily engaged in manufacture/purchase and sale of Electrical Consumer Durables and Lighting & switchgear products. The Company presently has manufacturing facilities at Faridabad, Noida, Kolkata and Guwahati.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 27th April, 2018.

2. Basis of Preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time). For the period from October 10, 2016 (being the date of incorporation) to 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and Companies (Accounting Standards) Amendment Rules 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements that the Company has prepared in accordance with Ind AS.

The Company has not availed any exemption under IND AS-101.

2.1 Summary of significant Accounting Policies

(a) Property, Plant and Equipment

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and buildings are measured at cost less accumulated depreciation on buildings and impairment losses, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of the asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciation is provided under straight line basis using the estimated useful lives of the assets as follows -

Class of Asset	Useful Lives estimated by the management (years)
Factory Buildings	30
Non-Factory Buildings	5 to 60
Plant and equipment	3 to 25
Furniture & Fixtures	8 to 10
Computers (included in office equipment)	3
Office Equipment	5
Vehicles	10

Notes to Financial Statements as at and for the year ended 31st March, 2018

Depreciation on Property, plant & equipment added / disposed-off during the year is provided on pro-rata basis with reference to the date of addition/disposal. The management has estimated, supported by technical assessment by experts, the useful lives of certain plant and equipment as 3 years. These lives are lower than those indicated in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company has applied IND AS-16 retrospectively to its property, plant & equipment and there was no impact thereof on the financial statements.

(b) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

Intangible assets being Specialised Software and Technical Knowhow are amortised on a straight line basis over their useful life (estimated by the management) of 3 years and 10 years respectively.

(c) Leases

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

A lease is classified at the inception date as a finance lease or an operating lease.

Where the Company is Lessee

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Notes to Financial Statements as at and for the year ended 31st March, 2018

Where the Company is the Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in Property, plant & equipment. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(d) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the borrowings and exchange differences to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the year they occur.

(e) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Government Grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to

Notes to Financial Statements as at and for the year ended 31st March, 2018

compensate. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(g) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. 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 moving weighted average method.

Work-in-progress, finished goods and traded goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods is determined on weighted average basis.

Saleable scrap, whose cost is not identifiable, is valued at net realisable value.

Net realizable 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.

(h) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the "principal" in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company considers that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, Sales tax/ value added tax (VAT)/ Goods and Service Tax is not received by the Company on its own account. It is collected on behalf of the government and accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

(i) Foreign Currency Transactions and Balances

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

Foreign currency transactions are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency monetary items are translated using the functional currency spot rates prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are

Notes to Financial Statements as at and for the year ended 31st March, 2018

measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

(j) Retirement and other Employee Benefits

Retirement benefit in the form of Provident Fund and Superannuation Schemes are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is funded defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(k) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity).

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Notes to Financial Statements as at and for the year ended 31st March, 2018

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as deferred tax asset only to the extent it is probable that sufficient taxable profit will be available to allow all or part of MAT credit to be utilised during the specified period, i.e., the period for which such credit is allowed to be utilised.

(l) Segment Reporting

Identification of Segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

Allocation of Common Costs

Common allocable costs are allocated to each segment on a case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, are included under the head "Unallocated".

Unallocated Items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment Accounting Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(m) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(n) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(n)(a) Warranty Provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually.

(o) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(p) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Notes to Financial Statements as at and for the year ended 31st March, 2018

(q) Financial Instruments

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

Financial Assets

Initial Recognition and Measurement

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

Subsequent Measurement

Subsequent measurement of financial assets is described below -

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred 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.

Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

Subsequent Measurement

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

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

Derecognition

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

Notes to Financial Statements as at and for the year ended 31st March, 2018

3. Property, Plant and Equipment

(Rs. in Lacs)

	Freehold Land	Factory Buildings	Non-Factory Buildings (a)	Plant and equipment	Furniture and fixtures	Office Equipments	Vehicles	Total
Cost								
Transferred pursuant to the scheme of arrangement (Note 28)	9.70	2,298.66	64.52	13,865.59	1,096.70	944.05	142.96	18,422.18
Additions*	-	-	-	582.44	9.69	25.85	-	617.98
At 31st March 2017	**9.70**	**2,298.66**	**64.52**	**14,448.03**	**1,106.39**	**969.90**	**142.96**	**19,040.16**
Additions	-	30.18	-	1,609.92	43.43	261.49	-	1,945.02
Disposals	-	(1.80)	-	(1,212.78)	(56.19)	(41.14)	(11.76)	(1,323.67)
At 31st March 2018	**9.70**	**2,327.04**	**64.52**	**14,845.17**	**1,093.63**	**1,190.25**	**131.20**	**19,661.51**
Depreciation								
Transferred pursuant to the scheme of arrangement (note 28)	-	589.16	26.81	6,855.73	593.02	628.87	85.51	8,779.10
Charge for the period	-	10.39	0.12	122.15	8.72	13.69	1.27	156.34
At 31st March 2017	**-**	**599.55**	**26.93**	**6,977.88**	**601.74**	**642.56**	**86.78**	**8,935.44**
Charge for the year	-	104.67	1.39	1,423.15	97.72	159.38	13.04	1,799.35
Disposals	-	(0.11)	-	(951.43)	(30.75)	(39.08)	(5.61)	(1,026.98)
At 31st March 2018	**-**	**704.11**	**28.32**	**7,449.60**	**668.71**	**762.86**	**94.21**	**9,707.81**
Net book value								
At 31st March 2018	**9.70**	**1,622.94**	**36.20**	**7,395.57**	**424.92**	**427.39**	**36.99**	**9,953.71**
At 31st March 2017	**9.70**	**1,699.11**	**37.59**	**7,470.15**	**504.65**	**327.34**	**56.18**	**10,104.72**

a. Cost includes Rs. 39.81 lacs in respect of flats whose registration in the Company's name is pending.

b. For charge created on Property, plant and equipment of the Company towards borrowings, refer Note 13.

c. The Company is in the process of getting all the above properties registered / transferred in its name pursuant to the Scheme of Arrangement (Refer Note 28).

Notes to Financial Statements as at and for the year ended 31st March, 2018

4. Intangible Assets

(Rs. in Lacs)

	Computers	Technical Know How	Total
Cost			
Transferred pursuant to the scheme of arrangement (Note 28)	**726.23**	**750.97**	**1,477.20**
Additions for the period*	12.93	-	12.93
At 31st March 2017	**739.16**	**750.97**	**1,490.13**
Additions for the year	-	-	-
At 31st March 2018	**739.16**	**750.97**	**1,490.13**
Amortization			
Transferred pursuant to the scheme of arrangement (Note 28)	**527.28**	**152.29**	**679.57**
Charge for the period	13.22	5.72	18.94
At 31st March 2017	**540.50**	**158.01**	**698.51**
Charge for the year	100.27	75.63	175.90
At 31st March 2018	**640.77**	**233.64**	**874.41**
Net book value			
At 31st March 2018	**98.39**	**517.33**	**615.72**
At 31st March 2017	**198.66**	**592.96**	**791.62**

*during the period from 10th October 2016 to 31st March, 2017

5. Other Financial Assets

(Rs. in Lacs)

	31st March 2018	31st March 2017
Unsecured, considered good, except where otherwise stated		
Non-current		
Security deposits	940.65	838.53
	940.65	**838.53**
Current		
Deposit with original maturity for more than 12 months*	30.55	-
Interest accrued on loans, deposits etc.	1.79	1.97
	32.34	**1.97**
Total	**972.99**	**840.50**

*The deposits maintained by the Company with banks comprise of the time deposits which may be withdrawn by the Company at any point of time without prior notice and are made of varying periods between one day to twenty-four months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

6. Other Assets

(Rs. in Lacs)

	31st March 2018	31st March 2017
Non-current		
Unsecured, considered good, except where otherwise stated		
Capital advances		
Considered good	434.69	215.96
(A)	**434.69**	**215.96**
Advance recoverable in cash or kind		
Considered doubtful	25.76	25.76
Less : Provision for doubtful advances	25.76	25.76
(B)	**-**	**-**
Deposits against demand under dispute	53.08	41.42
Prepaid expenses	0.14	0.39
(C)	**53.22**	**41.81**
Total (A+B+C)	**487.91**	**257.77**

Notes to Financial Statements as at and for the year ended 31st March, 2018

6. Other Assets (Contd.)

(Rs. in Lacs)

	31st March 2018	31st March 2017
Current		
Unsecured, considered good, except where otherwise stated		
Advance recoverable in cash or kind		
Considered good	953.13	1,475.07
	953.13	1,475.07
Prepaid expenses	68.55	106.76
Balances with government authorities	2,122.09	526.99
Export Benefit Receivable	157.83	222.91
(D)	**3,301.60**	**2,331.73**
Total other assets	**3,789.51**	**2,589.50**

7. Inventories

(Rs. in Lacs)

	31st March 2018	31st March 2017
Valued at Lower of Cost and Net Realisable Value		
Raw materials & Components	6,175.04	4,593.82
Work-in-progress	388.35	492.71
Finished goods	8,239.78	8,540.27
Traded goods	5,646.47	3,741.35
Stores and spares	439.46	262.80
At net realisable value		
Scrap	16.99	21.40
	20,906.09	**17,652.35**
The above includes stock in transit:		
Raw Materials	130.69	-
Traded Goods	16.49	9.98
Finished Goods	93.63	774.88
	240.81	**784.86**

a) During the year ended 31 March 2018, Rs. 101.62 lacs (31 March 2017: INR 78.81 lacs) was recognised as an expense for inventories carried at net realisable value.

b) Inventories are hypothecated against the borrowings obtained by the Company as referred in Note 13.

8. Trade Receivables

(Rs. in Lacs)

	31st March 2018	31st March 2017
Secured, considered good	2,595.32	2,465.95
Unsecured, considered good	36,794.88	33,660.16
Doubtful	912.82	882.33
	40,303.02	**37,008.44**
Less : Provision for doubtful debts	912.82	882.33
	39,390.20	**36,126.11**

a. Trade receivables are partly interest bearing and are generally on terms of 0 to 45 days.

b. For ageing analysis of trade receivables, refer Note 39.

c. Trade Receivable are hypothecated against the borrowings obtained by the Company as referred in Note 13.

d. No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes to Financial Statements as at and for the year ended 31st March, 2018

9. Cash and Cash Equivalents

(Rs. in Lacs)

	31st March 2018	31st March 2017
Balances with banks:		
- On current accounts	3,047.11	2,328.93
Cash on hand	1.83	2.42
Unpaid matured deposits	1.30	1.30
	3,050.24	**2,332.65**

10. Other Bank Balances

(Rs. in Lacs)

	31st March 2018	31st March 2017
Deposits with original maturity for more than 3 months but less than 12 months	-	4.50
	-	**4.50**

11. Equity Share Capital

	31st March 2018		31st March 2017	
	No. in lacs	Rs. in lacs	No. in lacs	Rs. in lacs
Authorized share capital				
Equity Share of Re 1 each	2,500.00	2,500.00	5.00	5.00
Issued, subscribed and fully paid-up				
Equity Share of Re 1 each	2,121.86	2,121.86	5.00	5.00
Less: cancelled pursuant to scheme of arrangement (Refer Note 28c)	-	-	5.00	5.00
	2,121.86	**2,121.86**	**-**	**-**

Note: During the year ended 31 March 2018, the authorised share capital was increased to Rs.2500 lacs i.e. 2500 lacs Equity shares of Re.1 each.

a) Terms/ rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The Board of Directors at its meeting held on 12th February, 2018 and 27th April, 2018, have declared an interim dividend of Re.0.50 per equity share (31st March, 2017: Nil) and proposed a final dividend of Re. 0.50 per equity share respectively for the financial year ended 31st March, 2018. The proposed final dividend of Rs. 1,276.91 Lacs (including DDT thereon) are subject to the approval of the Shareholders at the forthcoming Annual General Meeting and are not recognised as a liability as on 31st March, 2018.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the shareholder	31st March 2018		31st March 2017	
	No. in lacs	% holding in the class	No. in lacs	% holding in the class
Equity shares of Rs.1 each fully paid				
Central India Industries Limited	525.60	24.77%	-	-
Reliance Capital Trustee Co. Ltd.	183.94	8.67%	-	-
Shekhavati Investments and Traders Limited	127.61	6.01%	-	

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes to Financial Statements as at and for the year ended 31st March, 2018

(c) Aggregate number of shares bought back, or issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance sheet

	31st March 2018 No. in Lacs	31st March 2017 No. in Lacs
Equity shares issued pursuant to the Scheme of Arrangement (Refer Note 28)	2,121.86	-

12. Other Equity

(Rs. in Lacs)

	31st March 2018	31st March 2017
Capital Reserve (arisen pursuant to scheme of arrangement refer Note 28 c)	**5.00**	**5.00**
General reserve (arisen pursuant to scheme of arrangement refer Note 28 e)	**17,982.60**	**16,960.71**
Add: Further Deferred Tax assets on 43B items to be claimed by the Company	-	1,021.89
Add: Transferred from retained earnings during the year	1,500.00	-
	19,482.60	**17,982.60**
Retained Earnings		
Opening Balance	1,186.77	-
Add : Profit for the year/period	6,402.50	1,182.32
Less : Transferred to General Reserve	1,500.00	-
Less : Interim Equity Dividend [amount per share Re 0.50 (31st March, 2017: Nil)]	1,060.93	-
Less : Tax on Equity Dividend	215.98	-
Add : Other Comprehensive Income for the year/ period	(97.01)	4.45
Closing Balance	**4,715.35**	**1,186.77**
Total	**24,202.95**	**19,174.37**

13. Borrowings

(Rs. in Lacs)

	Effective Interest rate %	Maturity	31st March 2018	31st March 2017
Non-current borrowings				
Term loans (Secured)				
From Banks	9.10 - 9.90	2015-2023	2,544.68	3,694.01
From Others	10.50 - 11.20	2014-2020	891.58	1,921.84
			3,436.26	**5,615.85**
Current maturity of long term loans				
From Banks			1,162.32	900.52
From Others			1,017.19	1,020.50
			2,179.51	**1,921.02**
Total non-current borrowings*			**5,615.77**	**7,536.87**
Less : Amount disclosed under the head other current financial liabilities			2,179.51	1,921.02
Net non-current borrowings			**3,436.26**	**5,615.85**
Current borrowings				
Loan repayable on demand				
Cash credit (including Working Capital Demand Loan) from banks (Secured)			11,824.10	10,268.00
Other Loans (unsecured)				
Export Packing Credit from a bank			1,000.00	2,500.00
Buyers Credit from a Bank			153.38	747.88
Total current borrowings			**12,977.48**	**13,515.88**

*Net of unamortised borrowing cost of Rs 62.78 Lacs (Rs. 92.99 Lacs)

Notes to Financial Statements as at and for the year ended 31st March, 2018

1. Term loan from Banks are secured by first pari-passu charge on the fixed assets (both present and future) pertaining to the Paper plants at Amlai & Brajrajnagar of the demerged Company.Term loan of Rs. 1133.72 lacs carries interest @ 9.10% p.a (31 March 2017: 9.10% p.a.) and Rs. 2573.28 lacs carries interest @ 9.90% p.a. (31 March 2017: @ 10.45% p.a.). The above loans are repayable in 17 equal quarterly instalments starting from 28 May, 2015 and 20 unequal quarterly instalments starting from 08 May, 2018 respectively (upto 28 May, 2019 and 8 February, 2023 respectively).
2. Term loan from others are secured by pari-passu first charge on the fixed assets (both present and future) pertaining to the Paper plants at Amlai and Brajrajnagar of the demerged Company. Term Loan of Rs. 506.90 lacs carries interest @ 11.20% p.a. (31 March 2017: 10.95 % p.a.) and is repayable in 20 equal quarterly instalments starting from 28 June, 2014 (upto 28 March, 2019). Term loan of Rs. 1401.87 carries interest @10.50% p.a. (31 March 2017: @11.00% p.a) and is repayable in 16 equal quarterly instalments starting from 21 March, 2017 (upto 21 December, 2020).
3. Cash credit (including Working Capital Demand Loans) from banks are secured against hypothecation of stock in trade, stock in progress, raw materials, stores and chemicals, book debts and other current assets of the Company and second charge on fixed assets pertaining to the Paper plants at Amlai & Brajrajnagar of the Demerged Company and are repayable on demand. The above loans carry interest @ 7.50% p.a. to 10.35% p.a. (31 March 2017 :@ 8.25% p.a. to 10.35% p.a.).
4. Export Packing Credit from a Bank carry interest @4.15% to 4.25% p.a.(31 March 2017 : 8.50%) and are repayable in 180 days.
5. Buyers Credit from a Bank carries interest @ LIBOR plus spread of 0.50% p.a (31 March 2017: 0.45 % to 0.65%) and is repayable in 120 days.
6. The Company is in the process of getting the securities of above loans transferred on assets of the Company against the above borrowings which are presently secured by assets pertaining to the demerged Company of which details are given above.

14. Provisions

(Rs. in Lacs)

	31st March 2018	31st March 2017
Non-current		
Provision for gratuity (Note 32)	61.06	14.77
Provision for warranties	537.23	325.22
	598.29	**339.99**
Current		
Provision for gratuity (Note 32)	-	33.75
Provision for leave benefits	524.96	495.02
Provision for warranties	1,936.93	1,380.35
	2,461.89	**1,909.12**

Provision for Warranties

A provision is recognized for expected warranty claims on products based on management estimate of present obligation in this regard during the warranty period, computed on the basis of past experience of levels of repairs and returns. It is expected that the entire provision will be utilized within two years from the Balance Sheet date, since the warranty period generally extends to two years. The table below gives information about movement in warranties provisions.

(Rs. in Lacs)

	1st April- 2017- 31st March 2018	10th Oct 2016 -31st March 2017
Opening balance	1,705.57	-
Transferred pursuant to the scheme of Arrangement (Refer Note 28)	-	1,589.95
Arisen during the year/period (net)	1,481.27	115.62
Utilized	712.68	-
Closing balance	**2,474.16**	**1,705.57**
Current	1,936.93	1,380.35
Non-current	537.23	325.22

Notes to Financial Statements as at and for the year ended 31st March, 2018

15. Income Tax

Income tax expense in the Statement of Profit and Loss comprises:

(Rs. in Lacs)

Particulars	31st March 2018	31st March 2017
Current tax (includes Income tax for earlier years Rs.0.35 lacs (31st March 2017 : Nil))	2,286.99	461.50
MAT Credit Entitlement	(944.96)	(461.50)
Deferred tax Charge	2,038.26	837.45
Income tax expense / (Credit)	**3,380.29**	**837.45**

Entire deferred income tax for the period ended 31st March 2018 relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below: (Rs. in Lacs)

Particulars	31st March 2018	31st March 2017
Profit before income tax	9,782.79	2,019.77
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	3,385.63	699.00
Interest to income tax department	43.34	-
Corporate Social Responsibility	0.59	-
Weighted Deduction on R&D	(55.19)	-
Others	5.92	138.45
Income tax expense	**3,380.29**	**837.45**

The applicable Indian statutory tax rate for fiscal 2018 and fiscal 2017 is 34.61%.

The tax of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(Rs. in Lacs)

Particulars	31st March 2018	31st March 2017
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	559.81	703.51
Gross deferred tax liability	**559.81**	**703.51**
Deferred tax asset		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis in future years (including arising out of Demerger)	420.49	417.32
Impact on brought forward losses and unabsorbed depreciation on 43B items to be claimed by the Resulting Company (Refer Note 28b)	-	1,021.89
Impact of business loss and unabsorbed depreciation	-	1,388.45
Provision for doubtful debts and advances	324.82	314.27
Provision for warranties	856.26	590.26
MAT Credit entitlement	1,406.46	461.50
Gross deferred tax asset	**3,008.03**	**4,193.69**
Net deferred tax Asset	**2,448.22**	**3,490.18**

16. Trade Payables

(Rs. in Lacs)

	31st March 2018	31st March 2017
Trade payables		
• total outstanding dues of micro enterprises and small enterprises (refer Note 38 for details of dues to micro and small enterprises)	5,657.89	4,030.58
• total outstanding dues of creditors other than micro enterprises and small enterprises	22,710.93	15,218.58
	28,368.82	**19,249.16**

Trade payables are non-interest bearing and normally settled on 0 to 45 day terms.

Notes to Financial Statements as at and for the year ended 31st March, 2018

17. Other Financial Liabilites

(Rs. in Lacs)

	31st March 2018	31st March 2017
Current		
Current maturities of Long term Borrowings (Refer Note 13)	2,179.51	1,921.02
Payables against purchase of Property, plant and equipment	157.05	148.40
Payable to Demerged Company (Refer Note 28)	456.34	3,105.20
Interest accrued but not due on borrowings	6.53	9.45
Trade & other deposits	2,781.45	2,598.29
	5,580.88	**7,782.36**

18. Other Current Liabilities

(Rs. in Lacs)

	31st March 2018	31st March 2017
Advances from customers	474.54	592.40
Statutory dues payable	1,206.41	3,215.59
	1,680.95	**3,807.99**

19. Current Tax Liabilites

(Rs. in Lacs)

	31st March 2018	31st March 2017
Provision for Income Tax after adjusting advance tax and tax deducted at source	163.39	461.50
	163.39	**461.50**

20. Revenue from Operations

(Rs. in Lacs)

	1st April- 2017- 31st March 2018	For the period 10th October 2016- 31st March 2017
Revenue from operations		
Sale of products*		
Finished goods	105,681.07	16,497.88
Traded goods	57,391.24	6,766.21
	163,072.31	**23,264.09**
Less: Cash discount, rebates, incentives etc.	3,459.71	416.00
	159,612.60	**22,848.09**
Other operating revenue		
Scrap sales	2,478.97	281.49
Export Incentive	466.73	36.33
Revenue from operations (gross)	**162,558.30**	**23,165.91**

*Revenue from operations for periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards, the excise duty and most indirect taxes have been replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations.

21. Other Income

(Rs. in Lacs)

	1st April- 2017- 31st March 2018	For the period 10th October 2016- 31st March 2017
Interest income on		
Debts, deposits, advances etc.	336.91	31.17
Other non-operating income		
Insurance & other claims	19.80	12.11
Unspent liabilities and unclaimed balances adjusted	137.33	-
Gain on exchange rate fluctuations (net)	-	39.95

Notes to Financial Statements as at and for the year ended 31st March, 2018

21. Other Income (Contd.)

(Rs. in Lacs)

	1st April- 2017- 31st March 2018	For the period 10th October 2016- 31st March 2017
Other miscellaneous income	56.84	0.49
	550.88	**83.72**

22. Cost of raw materials consumed

(Rs. in Lacs)

	1st April- 2017- 31st March 2018	For the period 10th October 2016- 31st March 2017
Inventory at the beginning of the year/period	4,593.82	-
Add: Inventories transferred pursuant to a scheme of arrangement (Refer Note 28)	-	4,989.85
Add: Purchases & procurement expenses	61,330.13	6,283.19
	65,923.95	**11,273.04**
Add: Job work charges	4,118.05	556.54
Less: Sale of raw materials	468.47	35.57
Less: Inventory at the end of the year	6,175.04	4,593.82
Cost of Raw Material consumed	**63,398.49**	**7,200.19**

23. (Increase)/ decrease in inventories of finished goods, traded goods and work in progress

(Rs. in Lacs)

	1st April- 2017- 31st March 2018	For the period 10th October 2016- 31st March 2017
Work-in-progress	388.35	492.71
Finished goods	8,239.78	8,540.27
Traded goods	5,646.47	3,741.35
Scrap	16.99	21.40
	14,291.59	**12,795.73**
Inventories at the beginning of the year		
Work-in-progress	492.71	-
Finished goods	8,540.27	-
Traded goods	3,741.35	-
Scrap	21.40	-
	12,795.73	**-**
Inventories transferred pursuant to scheme of arrangement (Refer Note-28)		
Work-in-progress	-	3,631.35
Finished goods	-	567.89
Traded goods	-	11,278.76
Scrap	-	8.72
	-	**15,486.72**
	(1,495.86)	**2,690.99**
(Increase)/decrease of excise duty on inventory	(1,213.00)	(468.25)
	(2,708.86)	**2,222.74**

Notes to Financial Statements as at and for the year ended 31st March, 2018

24. Employee Benefits Expense

(Rs. in Lacs)

	1st April- 2017- 31st March 2018	For the period 10th October 2016- 31st March 2017
Salaries, wages and bonus	12,902.22	1,042.80
Contribution to provident and other funds	473.26	36.10
Gratuity expense (Note 32)	153.92	13.71
Staff welfare expenses	748.70	58.49
	14,278.10	**1,151.10**

25. Finance Costs

(Rs. in Lacs)

	1st April- 2017- 31st March 2018	For the period 10th October 2016- 31st March 2017
Interest on debts and borrowings	2,307.06	252.47
Other borrowing cost	139.86	19.09
Total finance cost	**2,446.92**	**271.56**

26. Depreciation and Amortization Expense

(Rs. in Lacs)

	1st April- 2017- 31st March 2018	For the period 10th October 2016- 31st March 2017
Depreciation of tangible assets (Note 3)	1,799.35	156.34
Amortization of intangible assets (Note 4)	175.90	18.94
	1,975.25	**175.28**

27. Other Expenses

(Rs. in Lacs)

	1st April- 2017- 31st March 2018	For the period 10th October 2016- 31st March 2017
Consumption of stores and spares	785.74	61.56
Power and fuel	1,034.96	83.45
Packing, Freight and forwarding charges	8,118.61	912.03
Rent & hire charges (Refer Note 33)	1,780.73	132.10
Rates and taxes	20.22	9.18
Insurance	66.16	7.82
Repairs and maintenance		
Plant and machinery	187.16	21.66
Buildings	135.30	3.15
Advertising and sales promotion	7,085.12	826.34
Commission on sales	440.07	98.63
Payment to auditor		
As Auditor:		
Audit fee	21.00	0.50
Limited Review	4.00	-
Tax Audit fees	2.50	-

Notes to Financial Statements as at and for the year ended 31st March, 2018

27. Other Expenses (Contd.)

(Rs. in Lacs)

	1st April- 2017- 31st March 2018	For the period 10th October 2016- 31st March 2017
In other capacity:		
Other Services	8.50	-
Reimbursement of expenses	2.51	0.21
Warranty & Claims (net)	2,472.47	156.66
Professional & consultancy charges	889.61	195.89
Bad debts / advances written off (net of reversals)	116.31	-
Loss on exchange rate fluctuations (net)	16.12	-
Sales Tax, Surcharge & Turnover Tax etc.	55.55	36.94
Director's Sitting Fees	19.50	-
Director's Commission	25.00	-
Provision for doubtful debts & advances	30.48	20.83
Loss on sale/discard of fixed assets (net)	259.22	-
Preliminary expenses written off	-	0.61
Miscellaneous expenses	4,126.39	422.84
	27,703.23	**2,990.40**

The Company has incurred certain research and development expenses amounting to Rs 287.11 lacs (31st March, 2017: Nil), and they are recognised in employee benefit & other expenses.

28. Scheme of Arrangement

a) Pursuant to the Scheme of Arrangement ("the scheme") approved by the National Company Law Tribunal, all the assets and liabilities of the Consumer Electric Business of Orient Paper & Industries Limited ("Demerged Company") has been transferred to and vested in the Company at their respective book values on a going concern basis from 1st March, 2017 being the appointed date.

As per the scheme, appointed date as approved by National Company Law Tribunal is 1st March, 2017 and effective date is 8th December, 2017 being the date on which certified copy of the order sanctioning the said scheme is filed with Registrar of Companies, Odisha in accordance with Companies Act, 1956 & applicable provisions of the Companies Act, 2013. Though the scheme has become effective after the balance sheet date, it is operative from the appointed date i.e. 1st March, 2017.

b) The details of assets and liabilities transferred from Demerged Company are as under:

(Rs. in Lacs)

ASSETS	
Non- Current Assets	
Tangible assets (net of accumulated Depreciation)	9,643.08
Intangible assets (net of accumulated Depreciation)	797.63
Deferred Tax Assets (Net)	2,846.59
Other financial assets	778.63
Other non current assets	369.62
	14,435.55
Current assets	
Inventories	20,712.76
Trade receivables	31,149.68
Cash and cash equivalents	1,022.78
Other financial assets	2.07

Notes to Financial Statements as at and for the year ended 31st March, 2018

28. Scheme of Arrangement (Contd.)

	(Rs. in Lacs)
Other current assets	1,764.48
	54,651.77
Total Assets (A)	**69,087.32**
LIABILITIES	
Non-current liabilities	
Long-term borrowings	5,937.74
Long-term provisions	518.32
	6,456.06
Financial Liability	
Short-term borrowings	16,970.53
Trade payables	
- total outstanding dues of micro enterprises and small enterprises	3,143.54
- total outstanding dues of creditors other than micro enterprises and small enterprises	13,504.36
Other current financial liabilities	4,742.92
Other current liabilities	3,324.98
Short-term provisions	1,862.36
	43,548.69
Total Liabilities (B)**	**50,004.75**
Net Assets transferred from Demerged Company	**19,082.57**
Less: Shares to be issued to sharholder of Demerged Company	2,121.86
Net Amount transferred to General Reserve	**16,960.71**
Add: Deferred Tax assets on 43B items to be claimed by the Company as decided by the management of the Company and the Demerged Company at the time of filing revised income tax return for the FY 2016-17*	1,021.89
Total Reserves arising pursuant to Demerger	**17,982.60**
a) Outstanding bank guarantees	4,146.43
b) Demands/claims by various Government authorities and others not acknowledged as debts and contested by the Company	
Excise Duty	217.19
Sales Tax	89.97
Others	33.85
	Amount Unascertainable
	4,487.44

Against the above, payments have been made under protest and/ or debts have been withheld by respective parties.

*Includes deferred tax assets on brought forward losses and unabsorbed depreciation apportioned amongst the demerged Company and the resulting Company in the ratio of assets retained by the demerged Company and transferred to the resulting Company as per the Scheme and on 43B items.

**The above liabilities includes Rs.14,157 lacs being general or multipurpose borrowings of the Company transferred from the Demerged Company in the ratio of the value of assets transferred bears to the total value of the assets of the Demerged Company immediately before the appointed date in terms of the said scheme.

c) Pursuant to the Scheme, 5 lacs equity shares of Re. 1 each of the Company held by Demerged Company (OPIL) stands cancelled and the said amount has been credited to Capital Reserve.

Notes to Financial Statements as at and for the year ended 31st March, 2018

d) Pursuant to the Scheme, the Company has issued 21,21,85,502 equity shares of Re 1 each to the shareholders of the demerged Company aggregating to Rs. 2121.86 lacs, in the ratio of 1 equity share of face value of Re. 1 each of the Company for every 1 equity share of face value of Re. 1 each held in the demerged Company .

e) Pursuant to the Scheme, the difference between the net book value of assets and liabilities of the Consumer Electric undertaking and shares to be issued to the shareholders of the demerged Company has been credited to General Reserve.

f) After the transfer of above balances from the Demerged Company as on the appointed date, the account heads have been reclassified in accordance with the Ind AS.

29. In terms of Ind AS 103 "Business Combination", the above demerger is a business combination under Common Control, accordingly, the financial information in these financial statements in respect of Balance Sheet as at 31st March, 2017 has been restated on account of transfer of Consumer Electric Business of Orient Paper & Industries Limited w.e.f 1st March, 2017 to the Company as per the Scheme of Arragement approved by National Company Law Tribunal as stated in Note 28 above.

30. Earnings Per Share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

(Rs. in Lacs)

	31st March 2018	31st March 2017
Profit after tax	6,402.50	1,182.32
Net Profit for calculation of basic and diluted EPS	**6,402.50**	**1,182.32**
Weighted average number of equity shares to be issued pursuant to the Scheme of Arranagement in calculating basic and diluted EPS	-	2,121.86
Weighted average number of equity shares used in calculating basic EPS	2,121.86	-
Basic & Diluted Earnings per equity share [nominal value of share Re. 1	**3.02**	**0.56***

*Although the Company was incorporated on 10th October, 2016, but in order to present the true picture of EPS, shares outstanding have been considered for full year of 2016-17.

31. Significant Accounting Judgements, Estimates and Assumption

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

There are no significant areas involving a high degree of judgement or complexity.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined Benefit Plans

The cost of defined benefit gratuity plan and its present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, an employee benefit obligation is highly sensitive to changes in these assumptions particularly the discount rate and estimate of future salary increase. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

Notes to Financial Statements as at and for the year ended 31st March, 2018

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 32.

Provisions and Contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Deferred tax assets on unabsorbed depreciation/business loss have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax assets.

32. Gratuity and other Post-Employment Benefit Plans

The Company has a defined benefit gratuity plan. The gratuity plan is governed by The Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the plan.

Statement of Profit and Loss

Net Employee Benefit Expense Recognized in the Employee Cost

(Rs. in Lacs)

	Gratuity	
	31st March 2018	31st March 2017
Service cost	150.00	11.98
Net Interest cost / (income) on the net defined benefit liability / (asset)	3.92	1.73
Net benefit expense	**153.92**	**13.71**
Actual return on plan assets	70.87	5.03

Other Comprehensive Income

(Rs. in Lacs)

	Gratuity	
	31st March 2018	31st March 2017
Acturial (gains) / losses		
- change in DBO assumption changes	(40.07)	-
- experiene variance (i.e. Actual experience vs assumptions)	(24.95)	(5.76)
- Return on plan assets (greater)/less than discount rate	213.37	(1.04)
Components of defined benefit costs recognised in other comprehensive income	**148.35**	**(6.80)**

Notes to Financial Statements as at and for the year ended 31st March, 2018

32. Gratuity and other Post-Employment Benefit Plans (Contd.)

Balance Sheet

Benefit Asset/Liability

(Rs. in Lacs)

	Gratuity	
	31st March 2018	31st March 2017
Present value of defined benefit obligation	(1,122.99)	(1,173.45)
Fair value of plan assets	1,061.93	1,124.93
Net asset / (liability)	**(61.06)**	**(48.52)**

Changes in the present value of the defined benefit obligation are as follows:

(Rs. in Lacs)

	Gratuity	
	31st March 2018	31st March 2017
Opening defined benefit obligation	1,173.45	1,160.47
Current service cost	143.78	11.97
Interest cost	74.78	6.77
Past service cost- plan amendments	6.22	-
Re-measurement (or Acturial) (gain) / loss arising from:		
- change in demographic assumptions	(24.95)	-
- change in financial assumptions	(40.07)	-
- experiene variance (i.e. Actual experience vs assumptions)	-	(5.76)
Benefits paid	(210.22)	-
Closing defined benefit obligation	**1,122.99**	**1,173.45**

Changes in the fair value of plan assets are as follows:

(Rs. in Lacs)

	Gratuity	
	31st March 2018	31st March 2017
Opening fair value of plan assets	1,124.93	862.26
Expected return / Investment Income	70.86	5.03
Employers contribution	289.73	256.60
Benefits paid	(210.22)	-
Return on plan assets, excluding amount recognised in net interest expense	(213.37)	1.04
Closing fair value of plan assets	**1,061.93**	**1,124.93**

The Company expects to contribute Rs. 290 lacs to gratuity in the next year.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Investments with insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	31st March 2018	31st March 2017
Discount rate	7.50%	7.00%
Expected rate of return on assets	7.50%	7.00%
Future salary increases:	7.00%	7.00%
Mortality Rate (% of IALM 06-08)	100%	100%

Notes to Financial Statements as at and for the year ended 31st March, 2018

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. (Rs. in Lacs)

Maturity profile of the defined benefit obligation (undiscounted amount)	0-1 year	1-2 years	2-3 year	3-4 year	Above 5 years	Total
Expected benefit payments for the period ending						
Mar-18	59.32	85.56	151.29	117.13	1,144.44	1,557.74
Mar-17	129.24	99.75	82.47	165.35	949.14	1,425.95

The weighted average duration of the defined benefit obligation as at 31st March, 2018 is 8 years.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Defined Contribution Plan :

(Rs. in Lacs)

	1st April 2017- 31st March 2018	For the period 10th October 2016 -31st March 2017
Contribution to Provident / Pension Funds	422.79	31.48
Contribution to Superannuation Fund	50.47	4.62
	473.26	**36.10**

A quantitative sensitivity analysis for significant assumptions is as below: (Rs. in Lacs)

	31st March 2018		31st March 2017	
Assumptions	**Discount rate**		**Discount rate**	
Sensitivity Level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
(Decrease)/Increase in gratuity defined benefit obligation	(83.81)	95.89	(83.62)	95.82
Assumptions	**Future salary increase**		**Future salary increase**	
Sensitivity Level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
(Decrease)/Increase in gratuity defined benefit obligation	95.45	(84.96)	93.89	(84.33)

33. Leases

Operating lease: Company as lessee

Certain office premises, equipments, depots etc are obtained by the Company on operating lease. The lease term is for 1- 3 years and renewable for further period either mutually or at the option of the Company. Lease agreements have price escalation clauses. The rent is not based on any contingencies. There are no restrictions imposed by lease arrangements. The leases are cancellable.

(Rs. in Lacs)

	1st April 2017- 31st March 2018	For the period 10th October 2016 -31st March 2017
Lease expenses for the year/period	1,780.73	132.10

34. Capital and other Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. 434.68 lacs (31st March 2017: Rs. 162.90 lacs).

Notes to Financial Statements as at and for the year ended 31st March, 2018

35. Contingent Liabilities

(Rs. in Lacs)

		31st March 2018	31st March 2017
(a)	Outstanding Bank Guarantees	3,147.84	3,733.35
(b)	Demands/claims by various Government authorities and others not acknowledged as debts and contested/to be contested by the Company:		
	Excise Duty	217.20	217.19
	Sales Tax	210.47	91.50
	Others	33.85	33.85
	Entry tax (Haryana and Punjab)	Amount Unascertainable	Amount Unascertainable
		461.52	**342.54**

Based on discussions with the solicitors/ favorable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision there against is considered necessary. The timing of outflow of resources is not ascertainable.

36. Related Party Disclosures

Related Parties

a.	Members of the Board of Directors/Key management personnel (KMP)	
	Chairman and Non-Executive Director	Mr C K Birla (from 19th Jan, 2018)
	Managing Director & CEO	Mr. Rakesh Khanna (MD from 23rd January, 2018)
	Other Non-Executive Directors	Mr. Desh Deepak Khetrapal (from 19th January, 2018)
		Mr. TCA Ranganathan (from 19th January, 2018)
		Mr. K. Pradeep Chandra (from 19th January, 2018)
		Ms. Alka Marezban Bharucha (from 19th January, 2018)
		Mr. P.K. Sonthalia (upto 23rd Jan, 2018)
		Mr. P.C.Agarwala (upto 23rd Jan, 2018)
		Mr. M.L. Pachisia (upto 23rd Jan, 2018)
	Chief Financial Officer	Mr. Manoj Kumar Dugar (from 23rd January, 2018)
	Company Secretary	Mr. Hitesh Kumar Jain (from 19th December, 2017)
b.	Enterprise having significant influence on the Company	Central India Industries Ltd
c.	Enterprises over which Members of the Board of Directors/KMP has significant influence	Orient Paper and Industries Limited Orient Cement Limited
d.	Relative of Member of Board of Directors/KMP	Avani Birla

Notes to Financial Statements as at and for the year ended 31st March, 2018

36. Related Party Disclosures (Contd.)

Related Party Transactions

The details of related parties transactions entered into by the Company for the year ended 31st March 2018 and 31st March 2017, and the details of amounts due to or due from related parties as at 31st March 2018 & 31st March 2017 are as follows:

(Rs. in Lacs)

	Year Ended	Transaction during the period	Amount owed to related parties
Enterprises over which Members of the Board of Directors/KMP has significant influence			
Orient Paper & Industries Limited*			
Other Financial Liabilities	31-Mar-18	-	456.34
	31-Mar-17	-	3,105.20
Interest	31-Mar-18	503.01	-
	31-Mar-17	-	
Rent	31-Mar-18	3.00	-
	31-Mar-17	-	-
Orient Cement Limited			
Sale of Goods	31-Mar-18	72.13	-
	31-Mar-17	-	-
Remuneration to Members of the Board of Directors/Key Managerial Personnel			
Mr. Rakesh Khanna			
Salary, bonus and contribution to PF	31-Mar-18	272.17	-
Salary, bonus and contribution to PF	31-Mar-17	27.95	-
Mr. TCA Ranganathan			
Sitting fees & Commission	31-Mar-18	9.50	4.50
Sitting fees & Commission	31-Mar-17	-	-
Mr. K Pradeep Chandra			
Sitting fees & Commission	31-Mar-18	9.00	4.50
Sitting fees & Commission	31-Mar-17	-	-
Ms. Alka Marezban Bharucha			
Sitting fees & Commission	31-Mar-18	8.50	4.50
Sitting fees & Commission	31-Mar-17	-	-
Mr. Desh Deepak Khetrapal			
Sitting fees & Commission	31-Mar-18	9.50	4.50
Sitting fees & Commission	31-Mar-17	-	-
Mr. C.K. Birla			
Dividend	31-Mar-18	17.03	-
Sitting fees & Commission	31-Mar-18	8.00	4.50
Dividend	31-Mar-17	-	-
Sitting fees & Commission	31-Mar-17	-	-
Chief Financial Officer			
Salary, bonus and contribution to PF	31-Mar-18	89.89	-
Dividend	31-Mar-18	0.01	-
Salary, bonus and contribution to PF	31-Mar-17	-	-
Dividend	31-Mar-17	-	-

Notes to Financial Statements as at and for the year ended 31st March, 2018

36. Related Party Disclosures (Contd.)

(Rs. in Lacs)

	Year Ended	Transaction during the period	Amount owed to related parties
Company Secretary			
Salary, bonus and contribution to PF	31-Mar-18	17.06	-
Salary, bonus and contribution to PF	31-Mar-17	-	-
Enterprise having significant influence on the Company			
Central India Industries Limited			
Dividend	31-Mar-18	262.80	-
Dividend	31-Mar-17	-	-
Relative of Member of a Board of Director/KMP			
Avani Birla	31-Mar-18	37.06	-
	31-Mar-17	-	-

Note 1: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

*The appointed date of Scheme is March 1, 2017 as approved by the National Company Law Tribunal, though it has become effective on December 8, 2017, therefore all other current account transactions from March 1, 2017 to December 8, 2017 between the Demerged Company and the Resulting Company has not been shown as related party transaction as these were done considering the Resulting Company as a unit of the Demerged Company.

37. Segment Information

Operating segments are defined as components of an enterprise for which discrete financial information so available that is evaluated regularly by chief operating decision maker, in deciding how to allocate resources and assessing performance. Accordingly, the Company has identified "Electrical Consumer Durables" & "Lighting & Switchgear" as the business segments.

Electrical Consumer Durables – Consists of manufacture / purchase and sale of Electric Fans – ceiling, portable and airflow, along with Components and Accessories thereof, and Appliances .

Lighting & Switchgear– Consists of manufacture / purchase and sale of Lights & Luminaries & Switchgears.

The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Revenues. Assets are segregated based on their geographical location.

Business segments

As at and for the year ended 31st March 2018

(Rs. in Lacs)

Particulars	Electrical Consumer Durables	Lighting & Switchgear	Total
Revenue			
External	121,814.18	40,744.12	162,558.30
Inter segment	-	-	-
Total	**121,814.18**	**40,744.12**	**162,558.30**
Results			
Segment results	14,748.12	3,447.39	18,195.51
Unallocated Income / (Expenses) (net of unallocable expenses/income)			(5,965.80)
Operating profit			**12,229.71**
Finance costs			2,446.92
Profit / (Loss) before tax			**9,782.79**
Income tax expense			3,380.29

Notes to Financial Statements as at and for the year ended 31st March, 2018

37. Segment Information (Contd.)

As at and for the year ended 31st March 2018

(Rs. in Lacs)

Particulars	Electrical Consumer Durables	Lighting & Switchgear	Total
Net profit / (Loss)			**6,402.50**
As at 31 March 2018			
Segment assets	56,444.40	21,089.21	**77,533.61**
Unallocated assets:			
Property, plant and equipment			753.96
Cash & Bank Balances			125.53
Other Current Assets			3,179.67
Total assets			**81,592.77**
Segment liabilities	25,149.15	9,188.62	**34,337.77**
Unallocated liabilities :			
Borrowings			18,245.10
Provisions			1,098.59
Current Liabilities			1,586.50
Total liabilities			**55,267.96**
Other segment information			
Capital expenditure**			
Tangible assets	1,593.03	392.43	**1,985.46**
Intangible assets	-	-	**-**
Depreciation***	1,224.37	519.04	**1,743.41**
Amortization***	9.75	78.63	**88.38**

As at and for the year ended 31st March 2017

(Rs. in Lacs)

Particulars	Electrical Consumer Durables	Lighting & Switchgear	Total
Revenue			
External	19,621.72	3,544.19	23,165.91
Inter segment	-	-	-
Total	**19,621.72**	**3,544.19**	**23,165.91**
Results			
Segment results	2,483.33	451.17	2,934.50
Unallocated Income / (Expenses) (net of unallocable expenses/income)			(643.17)
Operating profit			**2,291.33**
Finance costs			271.56
Profit / (Loss) before tax			**2,019.77**
Income tax expense / (credit)			837.45
Net profit / (Loss)			**1,182.32**
As at 31 March 2017			
Segment assets	54,358.55	15,280.83	69,639.38

Notes to Financial Statements as at and for the year ended 31st March, 2018

37. Segment Information (Contd.)

As at and for the year ended 31st March 2017

(Rs. in Lacs)

Particulars	Electrical Consumer Durables	Lighting & Switchgear	Total
Unallocated assets:			
Property, plant and equipment			307.52
Cash & Bank Balances			38.52
Other Current Assets			3,992.66
Total assets			**73,978.08**
Segment liabilities	19,171.58	5,066.17	24,237.75
Unallocated liabilities:			
Borrowings			21,052.75
Provisions			543.53
Current Liabilities			6,847.82
Total liabilities			**52,681.85**
Other segment information			
Capital expenditure**			
Tangible assets	542.00	7.04	549.04
Intangible assets	12.93	-	12.93
Depreciation***	106.15	47.34	153.49
Amortization***	3.54	7.99	11.53

Geographical segments

The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations.

Year ended 31 March 2018

(Rs. in Lacs)

Particulars	India	Overseas	Total
Revenue			
Sales to external customers	148,934.85	13,623.45	162,558.30
Other segment information			
Segment assets	79,476.90	2,115.87#	81,592.77

Year ended 31 March 2017

(Rs. in Lacs)

Particulars	India	Overseas	Total
Revenue			
Sales to external customers	21,245.97	1,919.94	23,165.91
Other segment information			
Segment assets	67,565.94	2,073.44#	73,978.08

#represents trade receivable

Note: The Company has common property, plant & equipment for producing goods for domestic and overseas markets. Hence, separate figures for fixed assets / additions to fixed assets have not been furnished.

**Excluding Rs. 598.43 lacs (31 March 2017, Rs. 37.13 lacs) being unallocated corporate/other assets.

***Excluding depreciation and amortisation on unallocated corporate/other assets of Rs. 55.94 lacs (31 March 2017, Rs. 2.84 lacs) Rs 87.52 Lacs (31 March 2017: Rs 7.42 Lacs) respectively.

Notes to Financial Statements as at and for the year ended 31st March, 2018

38. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

(Rs. in Lacs)

	31st March 2018	31st March 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	5,657.89	4,030.58
Interest due on above	-	-
	5,657.89	4,030.58
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

39. Financial Risk Management Objectives and Policies

The Company's financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents and security deposits.

The Company is exposed to market risk, credit risk and liquidity risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc.

Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows.

Notes to Financial Statements as at and for the year ended 31st March, 2018

39. Financial Risk Management Objectives and Policies (Contd.)

	Increase/ decrease in basis points*	Effect on profit before tax Rs. in lacs
31st March, 2018	**50 basis points**	**92.97**
31st March, 2017	50 basis points	105.26

*loss in case of increase and gain in case of decrease.

Foreign Currency Risk

The Company's exposure to foreign currency arises where a Company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity with INR. Set out below is the impact of a 5% change in the INR on profit and equity arising as a result of the revaluation of the Company's foreign currency financial instruments. The sensitivity analysis includes only outstanding foreign currency denominated monetory items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates as increase in profit or equity where the Rs. strengthens by 5% against the relevant currency. For a 5% weakening of the Rs. against the relevant currency, there would be a comparable negative/positive impact on the profit or equity, as applicable.

(Rs. in Lacs)

31st March,2018	Change in rate	Unhedged Foreign Currency (Net)		Effect on Profit before Tax
INR vs USD	5%	1,647.99	Receivable (gain)	82.40
INR vs AED	5%	467.88	Receivable (gain)	23.39
INR vs USD	5%	1,253.28	Trade Payable (loss)	62.66
INR vs EURO	5%	7.77	Trade Payable (loss)	0.39
INR vs USD	5%	153.38	Buyer's Credit (loss)	7.67

(Rs. in Lacs)

31st March,2017	Change in rate	Unhedged Foreign Currency (Net)		Effect on Profit before Tax
INR vs USD	5%	1,348.37	Trade Receivable (gain)	67.42
INR vs EURO	5%	2.26	Trade Receivable (gain)	0.11
INR vs HKD	5%	722.81	Trade Receivable (gain)	36.14
INR vs USD	5%	1,004.19	Trade Payable (loss)	50.22
INR vs EURO	5%	9.66	Trade Payable (loss)	0.53
INR vs USD	5%	7.36	Capital Payable (loss)	0.36
INR vs USD	5%	747.88	Buyer's Credit (loss)	37.41

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

Notes to Financial Statements as at and for the year ended 31st March, 2018

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

(Rs. in Lacs)

Trade Receivable	< 30 days	31 - 90 Days	91 to 180 days	> 180 days	Total
Mar-18	20,683.95	15,941.73	1,687.10	1,990.24	40,303.02
Mar-17	18,828.44	16,003.96	814.02	1,362.02	37,008.44

Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

Maturity Profile of Financial Liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments. (Rs. in Lacs)

Financial Liabilities	0-1 year	2-5 year	Above 5 years	Total
Mar-18				
Borrowings	12,977.19	3,436.55	-	**16,413.74**
Interest on long term borrowings	484.14	679.10	-	**1,163.24**
Trade Payables	28,368.82	-	-	**28,368.82**
Other current financial liabilities	5,580.88	-	-	**5,580.88**
Total	**47,411.03**	**4,115.65**	**-**	**51,526.68**
Mar-17				
Borrowings	13,515.88	4,900.75	715.10	**19,131.73**
Interest on long term borrowings	685.03	1,115.26	47.98	**1,848.27**
Trade Payables	19,249.17	-	-	**19,249.17**
Other current financial liabilities	7,782.36	-	-	**7,782.36**
Total	**41,232.44**	**6,016.01**	**763.08**	**48,011.53**

40. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value and keep the debt equity ratio within acceptable range.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial convenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders and issue new shares.

(Rs. in Lacs)

Particulars	31st March 2018	31st March 2017
Cash and cash equivalents [refer Note 9 (ii)]	3,050.24	2,332.65
Other Bank Balances [refer Note 10 (iii)	-	4.50
Total (a)	**3,050.24**	**2,337.15**
Non-current Borrowings [refer Note 13]	3,436.26	5,615.85
Current Borrowings [refer Note 13]	12,977.48	13,515.88
Current maturities of non-current borrowings [refer Note 17]	2,179.51	1,921.02
Total Borrowings (b)	**18,593.25**	**21,052.75**
Net Debt (c = b-a)	**15,543.01**	**18,715.60**

Notes to Financial Statements as at and for the year ended 31st March, 2018

40. Capital Management (Contd.)

(Rs. in Lacs)

Particulars	31st March 2018	31st March 2017
Total Equity (d)	**26,324.81**	**21,296.23**
Gearing Ratio (c/d)	**0.59**	**0.88**

41. Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

The Company is currently evaluating the impact of implementation of Ind AS 115 "Revenue from Contracts with Customers" which is applicable to it w.e.f April 01, 2018. However, based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact. However, there will be additional presentation and disclosure requirement which will be provided in the next year's financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

These financial statements, for the year ended 31 March 2018, are the first financial statements, the Company has prepared in accordance with Ind AS. For period upto and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31st March 2018, together with the comparative periods data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies.

Notes to Financial Statements as at and for the year ended 31st March, 2018

Reconciliation of Equity as at 31st March 2017

Note 42.

(Rs. in Lacs)

Particulars		31st March 2017	
	Previous GAAP	Adjustments	Ind AS
I. ASSETS			
1. NON-CURRENT ASSETS			
a. Property, plant and equipment	10,104.72	-	10,104.72
b. Capital work-in-progress	45.95	-	45.95
c. Intangible assets	791.62	-	791.62
d. Financial assets			
(i) Other financial assets	838.53	-	838.53
e. Deferred Tax Asset	2,468.29	1,021.89*	3,490.18
f. Other assets	257.77	-	257.77
(A)	**14,506.88**	**1,021.89**	**15,528.77**
2. CURRENT ASSETS			
a. Inventories	17,652.35	-	17,652.35
b. Financial assets			
(i) Trade receivables	36,126.11	-	36,126.11
(ii) Cash and cash equivalents	2,332.65	-	2,332.65
(iii) Bank balances other than (ii) above	4.50	-	4.50
(iv) Other financial assets	1.97	-	1.97
c. Other current non financial assets	2,331.73	-	2,331.73
(B)	**58,449.31**	**-**	**58,449.31**
TOTAL (A)+(B)	**72,956.19**	**1,021.89**	**73,978.08**
II. EQUITY AND LIABILITIES			
1. EQUITY			
a. Equity Share Capital	-	-	-
b. Share Capital Suspense	2,121.86	-	2,121.86
c. Other Equity	18,152.48	1,021.89*	19,174.37
(C)	**20,274.34**	**1,021.89**	**21,296.23**
LIABILITIES			
2. NON-CURRENT LIABILITIES			
a. Financial Liabilities			
(i) Borrowings	5,615.85	-	5,615.85
b. Long term provisions	339.99	-	339.99
(D)	**5,955.84**	**-**	**5,955.84**
3. CURRENT LIABILITIES			
a. Financial Liabilities			
(i) Borrowings	13,515.88	-	13,515.88
(ii) Trade Payables	19,249.16	-	19,249.16
(iii) Other current financial liabilities	7,782.36	-	7,782.36
b. Other current liabilities	3,807.99	-	3,807.99
c. Provisions	1,909.12	-	1,909.12
d. Current tax liabilities (net)	461.50	-	461.50
(E)	**46,726.01**	**-**	**46,726.01**
TOTAL LIABILITIES (F):(D)+(E)	**52,681.85**	**-**	**52,681.85**
TOTAL EQUITY AND LIABILITIES (C)+(F)	**72,956.19**	**1,021.89***	**73,978.08**

*Refer Note 28 (b).

Notes to Financial Statements as at and for the year ended 31st March, 2018

Reconciliation of Profit or Loss for the year ended 31st March 2017

Note 42. (Contd.)

(Rs. in Lacs)

Particulars	Footnote Ref No	31st March 2017		
		Previous GAAP	Adjustments	Ind AS
I. INCOME				
Revenue from operations	b	21,227.90	1,938.01	23,165.91
Other income		83.72	-	83.72
Total income (I)		**21,311.62**	**1,938.01**	**23,249.63**
II. EXPENSES				
Cost of raw materials consumed		7,200.19	-	7,200.19
Purchase of traded goods		5,280.58	-	5,280.58
Decrease in inventories of finished goods, work-in-progress and traded goods		2,222.74	-	2,222.74
Excise duty on sale of goods	b	-	1,938.01	1,938.01
Employee benefits expense	a	1,144.30	6.80	1,151.10
Finance costs		271.56	-	271.56
Depreciation and amortisation expenses		175.28	-	175.28
Other expenses		2,990.40	-	2,990.40
Total expenses (II)		**19,285.05**	**1,944.81**	**21,229.86**
III. Profit/(loss) before tax (I)-(II)		**2,026.57**	**(6.80)**	**2,019.77**
IV. Tax Expense				
(1) Current Tax		461.50	-	461.50
(2) MAT Credit		(461.50)	-	(461.50)
(3) Deferred Tax	a	839.80	2.35	837.45
		839.80	**2.35**	**837.45**
V. Profit for the year (III)-(IV)		**1,186.77**	**4.45**	**1,182.32**
VI. Other Comprehensive Income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Re-Measurement gains/(losses) on defined benefit plans	a	-	6.80	6.80
Income tax effect	a	-	(2.35)	(2.35)
Other Comprehensive Income, net of tax		**-**	**4.45**	**4.45**
VII. Total Comprehensive Income for the year (V)+(VI)		**1,186.77**	**-**	**1,186.77**

Notes to Financial Statements as at and for the year ended 31st March, 2018

A. Footnotes to the reconciliation of Equity as at 31st March 2017 and Profit or Loss for the period ended 31st March 2017.

a. Re-Classifications

The Company has made following reclassification as per the requirements of Ind-AS:

i) Re-Measurement gains/(losses) on defined benefit plans on long term employee benefit plans are re-classified from profit and loss to OCI.

b. Sale of Goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss as an expense.

43. Fair Value

The fair value of the financial assets and liabilities approximates their carrying amounts.

44. The Company has been incorporated on 10th October, 2016 and the business transfer pursuant to demerger has been accounted w.e.f. March 01, 2017 being the appointed date as per the Scheme. Hence, the figures for the previous year in the Statement of Profit & Loss are not comparable. Following the Scheme, no restatement of comparitives has been done for the period prior to the appointed date.

As per our report of the even date

For S.R. Batliboi & Co. LLP
Firm Registration Number: 301003E / E300005
Chartered Accountants

For and on behalf of the Board of Directors

per Sanjay Kumar Agarwal
Partner
Membership No.: 060352

C K. Birla
Chairman
(DIN 00118473)

Rakesh Khanna
Managing Director & CEO
(DIN 00266132)

Place: New Delhi
Date: 27th April, 2018

Saibal Sengupta
Chief Financial Officer

Hitesh Kumar Jain
Company Secretary