

STANDALONE SIGNIFICANT ACCOUNTING POLICIES**A Basis of preparation****(i) Compliance with Ind AS**

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale – measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans – plan assets measured at fair value;

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

B Use of estimates and judgments

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

C Property, plant and equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under Ind AS. Hence, regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation:

- a) Depreciation is provided as per the straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in case of Leasehold Land and assets at retail shops as stated in b & c below.
- b) Premium on leasehold land is amortized over the residual period of the lease and proportionate amount of premium written off is being charged to Statement of Profit & Loss.
- c) Cost of Furniture and Fixtures and Office Equipments of retail shops operated on lease basis is written off over the period of lease or within three years whichever is earlier.

Asset Impairment:

The Company reviews the carrying values of tangible assets for any possible impairment at each balance sheet date. Impairment loss, if any, is recognized in the year in which impairment takes place.

D Intangible Assets:**Intangible Assets representing**

- a) Computer Software and Trade Mark are amortised using Straight Line method over a period of three years.
- b) Goodwill is amortized over a period of five years.

E Investments Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment, if any.

Depreciation on building is provided over its useful life using the straight line method.

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

Non-Factory Building 60 years

F Investment and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- 1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- 2) those measured at amortized cost.

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

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit & Loss are expensed in the Statement of Profit and Loss.

(iii) Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- (1) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.
- (2) Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

G Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

H Valuation of Inventories

Inventories are valued at lower of the cost and net realizable value. The cost is arrived at moving weighted average method and cost comprise all cost of purchasing, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

I Revenue recognition

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of Excise Duty and net of returns, trade allowances, rebates, discounts, loyalty discount, value added taxes (VAT)/Goods and service Tax (GST). In case of Value added tax (VAT)/Goods and service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly it is excluded from the revenue.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Sale of goods

Sales are recognized when substantial risk and rewards of ownership are transferred to customer, in case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally sales take place when goods are shipped onboard based on bill of lading.

Sales Return-

The Company recognizes provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Revenue from services

Revenue from services is recognized in the accounting period in which the services are rendered.

Other operating revenue – Export incentives

Export Incentives under various schemes are accounted in the year of export.

J Government grants and subsidies:

- i. Grants and subsidies from the Government are recognized as and when received.
- ii. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.
- iii. Grants from the Government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
- iv. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of related assets and presented within other income.

K Foreign Exchange Transaction:

i. Functional and presentation currency

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

ii Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency, using the spot exchange rates at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation, differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

L Investment in Subsidiary

Investment in subsidiary is carried at cost in the separate financial statements. Investment carried at cost is tested for impairment as per IND AS 36.

M Borrowings

Borrowings are initially recognized at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

N Borrowing Costs:

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

O Tax Expenses:

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the comprehensive income or in equity, in which case, the tax is also recognized in other comprehensive income or equity.

- Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

P Leases:

Operating Lease as a lessee

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as Lessee, are classified as operating leases. Payments made under operating leases are charged to the Statements of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

As a Lessor

Lease Income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipt are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Q Provision, Contingent Liabilities and Contingent Assets:

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

R Derivatives:

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise.

S Gratuity and other post-employment benefits

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Company recognizes contribution payable to the provident fund and superannuation fund scheme as an expense, 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 and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurement of defined benefit plans in respect of post-employment are charged to the other comprehensive income.

Employee Separation Costs

Compensation to employee who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognizes the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

T Earnings Per Share**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

U. Standards issued but not Effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 – Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

(a) Issue of Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 21 – The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 – Investment Property
- iii. Ind AS 12 – Income Taxes
- iv. Ind AS 28 – Investments in Associates and Joint Ventures and
- v. Ind AS 112 – Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

2) PROPERTY, PLANT AND EQUIPMENTS :

(₹ In Lakhs)

Particulars	Freehold Land	Leasehold Land	Building	Plant & Machinery	Electrical Installation	Furniture & Equipments	Vehicles	Total Amount
Gross Carrying amount								
Cost as at 1st April, 2016	406.08	3,224.49	15,067.41	19,275.96	1,016.71	2,709.21	676.90	42,376.76
Addition/Adjustments	-	0.33	92.61	4,181.45	4.63	606.69	193.76	5,079.47
Disposals	-	-	7.53	1,672.86	0.01	90.38	92.00	1,862.78
Cost As at March 31, 2017	406.08	3,224.82	15,152.49	21,784.55	1,021.33	3,225.52	778.66	45,593.45
Addition/Adjustments	-	8.12	4,686.05	3,167.35	25.22	867.79	176.47	8,931.00
Disposals	-	-	-	616.98	0.30	42.75	37.39	697.42
Cost As at March 31, 2018	406.08	3,232.94	19,838.54	24,334.92	1,046.25	4,050.56	917.74	53,827.03
Accumulated Depreciation :								
Balance as at 1st April, 2016	-	46.62	482.73	3,093.47	189.23	453.07	100.73	4,365.85
Depreciation for the year	-	47.25	485.65	3,538.11	180.11	474.02	114.53	4,839.67
Disposals*	-	-	3.10	1,629.74	0.01	84.06	62.35	1,779.26
Accumulated Depreciation as at March 31, 2017	-	93.87	965.28	5,001.84	369.33	843.03	152.91	7,426.26
Depreciation for the year	-	47.31	505.17	3,738.55	153.38	503.10	126.58	5,074.09
Disposals*	-	-	-	446.05	0.15	10.53	21.44	478.17
Accumulated Depreciation as at March 31, 2018	-	141.18	1,470.45	8,294.34	522.56	1,335.60	258.05	12,022.18
Net Carrying amount								
Balance as at 31st March, 2017	406.08	3,130.95	14,187.21	16,782.71	652.00	2,382.49	625.75	38,167.19
Balance as at 31st March, 2018	406.08	3,091.76	18,368.09	16,040.58	523.69	2,714.96	659.69	41,804.85

Notes :

- i) Building Includes cost of ownership Flats/Office Premises/Industrial unit in respect of which :
 - a) Co-operative societies are formed ₹ 231.30 lakhs (previous year ₹ 231.30 lakhs) (including shares of the face value of ₹ 0.06 lakhs)
 - b) Co-operative societies are yet to be formed ₹ 8943.38 lakhs (previous year ₹ 7500.73 lakhs)
- ii) Furnitures & Equipments includes office equipments
- iii) Refer note 20 for disclosure of property, plant and equipment pledged as security by the company.
- iv) Addition to fixed assets and depreciation during the Financial year Includes ₹ 66.93 lakhs and ₹ 2.68 lakhs respectively (Previous year ₹ Nil) on account of reclassification from Investment Property.
- v) Depreciation for the current year includes ₹ 1.77 lakhs (Previous year ₹ Nil) capitalized as preoperative expense.

Capitalised borrowing Cost :

Addition to block of Plant and equipment, Building and CWIP includes borrowing cost of ₹ 347.81 lakhs (previous year ₹ Nil) on account of capital expansion for manufacturing plant at Amravati and other Capital Expenditure.

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

3) CAPITAL WORK IN PROGRESS :	AS AT 31-03-2018	AS AT 31-03-2017
Balance As At	9,250.70	3,605.08

4) INVESTMENT PROPERTIES :

Gross Carrying Amount	1,533.49	1,532.70
Addition	-	0.79
Disposal	66.93	-
	<u>1,466.56</u>	<u>1,533.49</u>
Accumulated Depreciation	138.40	91.78
Addition	52.81	46.62
Disposal	2.68	-
	<u>188.53</u>	<u>138.40</u>
Net Carrying Amount	1,278.03	1,395.09
	<u>1,278.03</u>	<u>1,395.09</u>
Fair Value As At	1,798.47	2,857.33
	<u>1,798.47</u>	<u>2,857.33</u>

Estimation of Fair Value :

The fair valuation is based on current price in active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market in respective area. The valuation is based on valuation performed by accredited independent valuer. The fair valuation is based on replacement cost method. The fair value measurement is categorised in level 3 fair value hierarchy

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Rental Income derived from Investment Properties	355.36	358.39
Direct Operating Expenses (including repairs and maintenance) generating rental income	58.94	61.42
Income arising from Investment properties before depreciation	296.42	296.97
Depreciation	52.81	46.62
Income from investment properties (Net)	<u>243.61</u>	<u>250.35</u>

Premises given on Operating Lease :

The company has given certain investment properties on operating lease. These lease arrangements range for a period between 2 and 5 years and include both cancellable and non-cancellable lease. Most of the leases are renewable for further period on mutually agreeable terms.

The Total future minimum lease rentals receivables at the balance sheet date is as under :

	31-03-2018	31-03-2017
For a period not later than one year	340.35	398.04
For a period later than one year and not later than five years	487.82	371.11
For a period later than five years	-	-

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

5) INTANGIBLE ASSETS :

	Goodwill	Other Intangible Assets		
		Trade Marks	Computer Software	Total
Gross Carrying Amount :				
Cost As at 1st April, 2016	1,607.99	618.23	184.11	802.34
Additions	-	-	52.65	52.65
Disposals	-	-	-	-
Cost as at 31st March, 2017	1,607.99	618.23	236.76	854.99
Additions	-	300.98	104.82	405.80
Disposals	-	-	-	-
Cost as at 31st March, 2018	1,607.99	919.21	341.58	1,260.79
Accumulated Amortisation:				
Accumulated Amortisation as at 1st April, 2016	321.60	116.09	140.74	256.83
Additions	321.25	178.53	68.49	247.02
Disposals	-	-	-	-
Accumulated Amortisation as at 31st March, 2017	642.85	294.62	209.23	503.85
Additions	642.84	221.40	68.03	289.43
Disposals	-	-	-	-
Accumulated Amortisation as at 31st March, 2018	1,285.69	516.02	277.26	793.28
Net Carrying amount :				
Balance as at 31st March, 2017	965.14	323.61	27.53	351.14
Balance as at 31st March, 2018	322.30	403.19	64.32	467.51

6) INVESTMENT (UNQUOTED)

- a) Investment in Subsidiary Company, (at Cost)
Share capital of 1 Million Euro fully paidup in Cadini SRL
(Subscribed during the year)
- b) Investment Others : (Unquoted)
(At fair value through profit & loss)
25,00,000 Cumulative Redeemable Preference share of ₹ 100/-
each fully paid up of Balkrishna Paper Mills Ltd (subscribed during the year)
Aggregate amount of unquoted Investment
Aggregate amount of Impairment in the value of Investment

AS AT 31-03-2018	AS AT 31-03-2017
757.10	-
2,500.00	-
3,257.10	-
-	-

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

7) NON CURRENT LOANS - (UNSECURED, CONSIDERED GOOD) :	AS AT 31-03-2018	AS AT 31-03-2017
a) Other Loans		
i) Loans to Customer	92.51	108.31
ii) Loans to Employees	199.91	62.50
iii) Loans to Others	-	50.00
	<u>292.42</u>	<u>220.81</u>

8) OTHER NON CURRENT FINANCIAL ASSETS :

a) Fixed Deposit	3.06	2.53
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9) OTHER NON CURRENT ASSETS :

a) Capital Advances	2,083.49	1,956.12
b) Other Loans & Advances		
i) Security Deposit	900.57	583.23
ii) Prepaid Expenses	67.46	25.22
iii) Contribution in Tarapur Environment Protection Society (Refer Note 48)	-	601.54
	<u>3,051.52</u>	<u>3,166.11</u>

10) INVENTORIES :

(As taken, valued and certified by the Management)		
a) Raw Materials	11,022.21	8,253.55
b) Finished Goods	22,412.19	13,865.69
c) Stock - in - trade	1,729.25	2,513.90
d) Goods in Process	5,712.57	4,721.43
e) Stores and Spares	2,139.49	2,202.69
	<u>43,015.71</u>	<u>31,557.26</u>

11) TRADE RECEIVABLES :

a) Trade Receivable from Others	42,418.69	30,611.28
b) Receivable from Related Parties	4.77	0.99
	<u>42,423.46</u>	<u>30,612.27</u>
Less : Allowance for Credit Loss/doubtful receivables	246.57	157.39
	<u>42,176.89</u>	<u>30,454.88</u>
Breakup of Security Details :		
Secured, Considered Good	2,151.53	1,457.12
Unsecured, Considered Good	40,025.36	28,997.76
Considered Doubtful	246.57	157.39
Total	<u>42,423.46</u>	<u>30,612.27</u>
Allowance for credit loss / doubtful Receivables	(246.57)	(157.39)
	<u>42,176.89</u>	<u>30,454.88</u>

12) CASH AND CASH EQUIVALENTS :

a) Balance with Banks in Current Account	2,179.86	378.78
b) Cash on hand	24.49	21.18
	<u>2,204.35</u>	<u>399.96</u>

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

	AS AT 31-03-2018	AS AT 31-03-2017
13) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALANTS		
a) Unclaimed dividend - Earmarked balances with banks	78.21	63.19

14) LOANS (UNSECURED, CONSIDERED GOOD) :

a) Inter Corporate Deposit*	175.00	-
b) Loans to Employees	240.26	322.15
c) Loans to Customer	1.75	0.71
	<u>417.01</u>	<u>322.86</u>

* Intercorporate Loan given to related party S.P. Finance Trading Co. Ltd

15) OTHER CURRENT FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD) :

a) Unbilled Revenue	17.11	18.38
b) Interest accrued and due	-	2.00
	<u>17.11</u>	<u>20.38</u>

16) CURRENT TAX ASSETS AND DEFERRED TAX :

a) Income Tax paid/TDS (Net of provisions of ₹ 13687 lakhs and as at 31st March 2017 ₹ 13048 lakhs)	1,215.89	1,492.92
b) Tax expenses recognized in the statement of Profit & Loss		
Current Tax		
Current tax on taxable income for the year	6,405.00	4,520.00
Tax in respect for earlier year	3.08	-
Deferred Tax		
Deferred Tax charge/(Credit)	(440.24)	(22.78)
Total Income Tax Expense	<u>5,967.84</u>	<u>4,497.22</u>

	Year ended 31-03-2018	Year ended 31-03-2017
c) A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:		
Expected income tax rate in India applicable to the Company	34.608%	34.608%
Profit before tax	17,728.77	13,598.59
Expected Income Tax expense at statutory Income tax rate	6,135.57	4,706.20
Income exempt from tax/items not deductible.	272.51	(186.20)
Income tax expense reported in the statement of Profit and Loss.	6,408.08	4,520.00
Deferred Tax Expense Reported in the statement of Profit and Loss.	(440.24)	(22.78)
	<u>5,967.84</u>	<u>4,497.22</u>

Consequent to reconciliation items shown above, the effective tax rate is 33.66% (2016-17 - 33.07%)

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

d) The movement in deferred tax assets and liabilities during the year ended March 31, 2017 and March 31, 2018.

(₹ In Lakhs)

Particulars	As at 31st March, 2016 Deferred Tax Asset/ Liabilities	Credit / (Charge) in Statement of Profit & Loss	As at 31st March, 2017 Deferred Tax Asset/ Liabilities	Credit / (Charge) in Statement of Profit & Loss	As at 31st March, 2018 Deferred Tax Asset/ Liabilities
Depreciation	(2,784.11)	(68.61)	(2,852.72)	223.73	(2,628.99)
Expenses Allowed in the year of Payment	727.96	116.55	844.50	(253.01)	591.49
Provision for Doubtful Debts	28.16	3.64	31.81	482.39	514.20
Total	(2,027.99)	51.58	(1,976.41)	453.11	(1,523.30)

17) OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD) :

- a) Advances for supply of goods & services
- b) Input Tax Refundable
- c) Interest Subsidy Receivable
- d) Balances with Customs, Port Trust & Excise
- e) Prepaid Expenses
- f) Security Deposits
- g) Others

	AS AT 31-03-2018	AS AT 31-03-2017
a) Advances for supply of goods & services	335.11	316.03
b) Input Tax Refundable	3,914.65	1,663.08
c) Interest Subsidy Receivable	1,019.85	943.99
d) Balances with Customs, Port Trust & Excise	456.53	176.15
e) Prepaid Expenses	454.98	420.52
f) Security Deposits	38.57	20.90
g) Others	238.53	163.54
	<u>6,458.22</u>	<u>3,704.21</u>

18) SHARE CAPITAL :

Authorised

- a) 5,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 1,10,00,000 Equity Shares of ₹ 10/- each) #
- b) 25,000 11% Redeemable Cumulative Preference Shares of ₹ 100/- each
- c) 7,50,000 Redeemable Preference Shares of ₹ 10/- each

Issued

4,68,70,080 Equity share of ₹ 2/- each. (Previous year 93,74,016 Equity share of ₹ 10/- each) #

Subscribed and Fully Paid Up

4,68,70,080 Equity share of ₹ 2/- each. (Previous year 93,74,016 Equity share of ₹ 10/- each) #

	AS AT 31-03-2018	AS AT 31-03-2017
a) 5,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 1,10,00,000 Equity Shares of ₹ 10/- each) #	1,100.00	1,100.00
b) 25,000 11% Redeemable Cumulative Preference Shares of ₹ 100/- each	25.00	25.00
c) 7,50,000 Redeemable Preference Shares of ₹ 10/- each	75.00	75.00
	<u>1,200.00</u>	<u>1,200.00</u>
Issued		
4,68,70,080 Equity share of ₹ 2/- each. (Previous year 93,74,016 Equity share of ₹ 10/- each) #	937.40	937.40
Subscribed and Fully Paid Up		
4,68,70,080 Equity share of ₹ 2/- each. (Previous year 93,74,016 Equity share of ₹ 10/- each) #	937.40	937.40

Equity Share of the Face value of ₹ 10/- each has been sub-divided into 5 Equity shares of ₹ 2/- each as per resolution passed in AGM held on 9th September, 2017. (record date 26th October, 2017).

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

- i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31 st March,2018		As at 31 st March,2017	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year#	93,74,016	937.40	93,74,016	937.40
Issued during the year	-	-	-	-
Outstanding at the end of the year#	<u>4,68,70,080</u>	<u>937.40</u>	<u>93,74,016</u>	<u>937.40</u>

Equity Share of the Face value of ₹ 10/- each has been sub-divided into 5 Equity shares of ₹ 2/- each as per resolution passed in AGM held on 9th September, 2017. (record date 26th October, 2017).

- ii) Terms/rights attached to equity :

The company has issued only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

- iii) Shareholder's holding more than 5 % shares in the Company

Name of the Shareholder's	As at 31 st March,2018		As at 31 st March,2017	
	No. of Share	% of Holding	No. of Share	% of Holding
PKP Enterprises LLP	1,11,18,935	23.72%	22,23,787	23.72%
DSP Blackrock Micro Cap Fund	25,04,015	5.34%	4,91,825	5.25%
Smt. Ashadevi Rameshkumar Poddar	32,27,055	6.89%	6,45,411	6.89%

(₹ In Lakhs)

19) OTHER EQUITY :

- a) Capital Reserve
b) Security Premium Account
c) General Reserve
d) Retained Earnings

	AS AT 31-03-2018	AS AT 31-03-2017
a) Capital Reserve	70.18	70.18
b) Security Premium Account	799.61	799.61
c) General Reserve	60,000.00	52,500.00
d) Retained Earnings	6,055.24	5,353.61
	<u>66,925.03</u>	<u>58,723.40</u>

- i) Capital Reserve : Capital Reserve is utilised in accordance with provision of the Act.
ii) Security Premium Reserve : Security Premium Reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provision of the Act.
iii) Retained Earnings : Retained earnings are the profit that the Company has earned till date, less any transfer to general reserve, dividend or other distributions paid to shareholders.

20) NON CURRENT BORROWINGS :

Secured

- a) Term Loans from Banks
Rupee loan
Foreign currency loan
Total Secured loan from Banks

Unsecured

- a) From Government of Maharashtra (Interest free Sales Tax Loan)

	AS AT 31-03-2018		AS AT 31-03-2017	
	Non Current	Current	Non Current	Current
a) Term Loans from Banks				
Rupee loan	6,501.09	2,445.76	6,306.86	3,705.91
Foreign currency loan	6,883.94	-	-	-
Total Secured loan from Banks	<u>13,385.03</u>	<u>2,445.76</u>	<u>6,306.86</u>	<u>3,705.91</u>
Unsecured				
a) From Government of Maharashtra (Interest free Sales Tax Loan)	64.57	17.38	81.94	17.38
	<u>13,449.60</u>	<u>2,463.14</u>	<u>6,388.80</u>	<u>3,723.29</u>

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

Note :

- i) Term loan aggregating to ₹ 5,946.85 lakhs is secured by way of exclusive charge created/ to be created on immovable properties situated at Maharashtra except immovable assets exclusively charged to the lenders and charge on movable fixed assets procured from those term loans. The remaining tenure of loans is 2 to 5 years.
- ii) Term loans in foreign currency (ECB) of ₹ 6,883.94 Lakhs and Rupee term loan of ₹ 3,000 Lakhs is secured by way of few office premises situated at Mumbai. The remaining tenure of the Loan is 2 to 7 years.
- iii) Interest on above said term loan are ranging from 8% to 11%.

(₹ In Lakhs)

	AS AT 31-03-2018	AS AT 31-03-2017
21) OTHER FINANCIAL LIABILITIES NON CURRENT :		
a) Security Deposit from Dealers / others	<u>4,024.71</u>	<u>3,782.23</u>
22) LONG TERM PROVISIONS :		
a) Provision for Employee benefits (Refer Note 43)	<u>921.48</u>	<u>1,119.19</u>
23) OTHER NON CURRENT LIABILITIES :		
a) Creditors for Capital Goods	236.77	129.11
b) Government Grant #	<u>516.50</u>	<u>681.56</u>
	<u>753.27</u>	<u>810.67</u>
# Represents unamortised amount of duty saved referred to in note 45.		
24) CURRENT BORROWINGS :		
Secured		
a) Working Capital Loans from Banks* :-		
i) Cash Credit/ Demand Loans/ Short Term Loan	13,561.68	8,629.93
ii) Packing Credit	1,951.92	1,512.70
iii) Bills Discounting	-	100.02
	<u>15,513.60</u>	<u>10,242.65</u>
Unsecured		
a) Short Term Loans from Banks (Including commercial Paper)	<u>25,913.09</u>	<u>10,107.00</u>
	<u>41,426.69</u>	<u>20,349.65</u>
* Working Capital loans from Banks are secured by hypothecation of Stocks, Book debts and second charge created over the few fixed assets of the Company.		
25) TRADE PAYABLES :		
a) Micro, Small and Medium Enterprises @	93.19	31.91
b) Trade Payable Others	17,354.82	13,789.59
c) Amount due to related parties (Refer Note 40)	<u>658.10</u>	<u>194.89</u>
	<u>18,106.11</u>	<u>14,016.39</u>

- @ i) There is no principal amount due and remaining unpaid. No interest paid / payable during the year by the company to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006.
- ii) The above disclosure is based on the information available with the Company

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

26) OTHER CURRENT FINANCIAL LIABILITIES :

	AS AT 31-03-2018	AS AT 31-03-2017
a) Current Maturity of Long Term Debt (Refer Note No. 20 (i & ii))	2,463.14	3,723.29
b) Interest accrued and due on borrowings	100.36	80.30
c) Unpaid Dividend*	78.21	63.19
	<u>2,641.71</u>	<u>3,866.78</u>

*There are no amount due and outstanding to be credited to Investor Education and Protection Fund.

27) OTHER CURRENT LIABILITIES :

a) Advance Received from Customer	297.72	392.63
b) Other Payables		
i) Statutory Dues	682.47	834.99
ii) Employees Dues	2,248.02	2,145.83
ii) Security Deposit	23.48	14.44
iii) Government Grant #	920.79	121.51
iv) Others	111.92	114.80
	<u>3,986.68</u>	<u>3,231.57</u>
	<u>4,284.40</u>	<u>3,624.20</u>

Represents unamortised amount of duty saved referred to in note 45.

28) SHORT-TERM PROVISIONS :

a) Provision for employee benefits :		
i) Unavailed Leave (Refer note 43)	317.18	293.63

29) REVENUE FROM OPERATIONS :

	Current Year	Previous Year
a) Sale of Products	2,40,795.00	2,05,657.85
Less : Trade discount, Returns, Rebate etc.,	68,979.32	50,480.22
	<u>1,71,815.68</u>	<u>1,55,177.63</u>
b) Sale of Services (Job Charges Received)	1,147.28	1,942.47
c) Other operating revenues*	312.62	273.24
	<u>1,73,275.58</u>	<u>1,57,393.34</u>

* Includes Scrap Sales & others.

Note : Revenue from operations for period upto 30th June, 2017 included excise duty of ₹ 87.07 Lakhs (Previous Year ₹ 406.23 Lakhs). From 1st July, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collect GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended 31st March, 2018 is not comparable with 31st March, 2017.

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

30) OTHER INCOME :

	Current Year	Previous Year
a) Miscellaneous Income	106.80	288.54
b) Interest Received	1,546.61	1,387.54
c) Rent Received	492.79	500.80
d) Profit on Sale of Assets (Net)	308.06	199.73
e) Sundry credit balance written back (Net)	-	8.11
f) Exchange Rate Difference	25.76	85.98
h) Apportioned Income from Government Grant (Refer Note No.45)	153.57	79.03
	<u>2,633.59</u>	<u>2,549.73</u>

31) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE :

a) Opening Stock		
Work - in - Progress	4,721.43	4,124.77
Finished Goods	13,865.69	14,448.25
Stock in Trade	2,513.90	3,055.80
	<u>21,101.02</u>	<u>21,628.82</u>
b) Less : Closing Stock		
Work - in - progress	5712.57	4,721.43
Finished Goods	22,412.19	13,865.69
Stock in Trade	1,729.25	2,513.90
	<u>29,854.01</u>	<u>21,101.02</u>
	<u>(8,752.99)</u>	<u>527.80</u>

32) EMPLOYEE BENEFITS EXPENSE

a) Salaries, Wages, Allowances and Bonus	17,121.68	14,996.92
b) Contribution to Provident, Gratuity and other funds (Refer note 43)	1,329.53	1,185.70
c) Workmen and Staff Welfare Expenses	524.88	677.68
	<u>18,976.09</u>	<u>16,860.30</u>

33) FINANCE COST :

a) Interest Expenses (Net of subsidy ₹ 146.39 lakhs (Previous year ₹ 608.12 lakhs)	3,754.45	3,060.74
b) Loss on foreign currency transactions and translation (net)	-	4.40
c) Other borrowing costs	15.16	104.68
	<u>3,769.61</u>	<u>3,169.82</u>
Less : Borrowing Cost Capitalised	347.81	-
	<u>3,421.80</u>	<u>3,169.82</u>

34) DEPRECIATION AND AMORTISATION EXPENSES :

Depreciation on Property, Plant and Equipments	5,069.64	4,839.67
Depreciation on Investment Properties	52.81	46.62
Amortization on Intangible Assets	932.27	568.27
	<u>6,054.72</u>	<u>5,454.56</u>

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

35) OTHER EXPENSES :

	Current Year	Previous Year
a) Consumption of Stores and Spare parts	2,095.75	2,116.87
b) Consumption of Packing Material	5,934.14	5,695.84
c) Processing and Labour Charges	16,174.96	13,351.41
d) Excise Duty (includes difference between the excise duty on opening and closing stock of finished goods)	110.14	559.86
e) Power and Fuel	5,407.60	5,134.34
f) Water Charges	198.49	185.01
g) Brokerage and Commission	3,631.77	3,466.11
h) Rent	1,151.96	672.93
j) Rates and Taxes	276.20	318.43
k) Freight and Forwarding Charges	1,822.90	1,830.16
l) Legal and Professional Charges (Refer Note No.39)	779.32	559.86
m) Directors Sitting Fees (Including Service Tax)	18.06	15.91
n) Commission to Non-Executive Directors	17.50	-
o) Insurance	296.41	539.88
p) Sales Promotion Expenses	1,860.47	2,714.43
q) Advertisement Expenses	5,141.07	3,713.40
r) Travelling and Conveyance	1,926.12	1,651.05
s) Loss on Sale/Diminution of Investment	-	2.79
t) Donation	15.00	8.92
u) Contribution towards CSR activity (Refer Note No.46)	283.13	213.27
v) Provision for Doubtful Debts/Expected Credit Loss	102.43	40.09
w) Sundry Debit Balance W/off (Net)	4.48	-
x) Miscellaneous Expenses	2,626.29	2,014.12
y) Repairs to :		
i) Building	837.94	703.62
ii) Machineries	509.27	419.21
iii) Others	1,130.03	1,071.29
	2,477.24	2,194.12
	52,351.43	46,998.80

36) EARNING PER SHARE : ["EPS"] COMPUTED IN ACCORDANCE WITH ACCOUNTING STANDARD 20:

a) Net Profit after tax as per Statement of Profit & Loss	11,159.39	9,101.37
b) The weighted average number of Equity Shares #	4,68,70,080	4,68,70,080
c) Face value per equity share (₹)	2.00	2.00
d) Earnings per share Basic / Diluted (₹)	23.81	19.42

As approved by the members of the Company in the last Annual General Meeting, the Equity Share of the face value of ₹ 10/- each has been sub-divided into 5 equity shares of ₹ 2/- each with effect from record date i.e. 26th October, 2017. The Earning per share figures for the year ended 31st March, 2017, have been restated to give effect to sub division of the shares as required by Ind AS 33.

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

37) DIVIDEND DISTRIBUTION MADE AND PROPOSED :

a) Dividend on equity shares declared and paid during the year:

- i) Final dividend of ₹ 15/- Per share for F.Y. 2016-17 (F.Y. 2015-16 ₹ Nil)
Dividend distribution tax on Final dividend
- ii) Interim dividend of ₹ 2.20/- Per share for F.Y. 2017-18 (F.Y. 2016-17 ₹ Nil per share)
Dividend distribution tax on interim dividend

b) Proposed dividend on equity share not recognised as liability:

- i) Final Dividend of ₹ 2/- Per share for F.Y. 2017-18 (Final Dividend of ₹ 3/- Per share for F.Y. 2016-17) (Refer Note no.18)
Dividend distribution tax on Final Dividend

	Current Year	Previous Year
	1,406.11	-
	286.26	-
	<u>1,692.37</u>	-
	1,031.14	-
	209.92	-
	<u>1,241.06</u>	-
	937.40	1,406.10
	192.69	286.25
	<u>1,130.09</u>	<u>1,692.35</u>

38) CONTINGENT LIABILITIES & COMMITMENTS :

a) Contingent Liabilities :

- i) Guarantees given by the Company's bankers on behalf of the Company
- ii) Disputed claims for excise, sales tax and property tax
- iii) Income tax Demand, interest & penalty under dispute

b) Commitments :

- i) Estimated amount of contracts remaining to be executed on capital account and not provided

	1,027.50	915.10
	796.45	871.62
	1.26	1.26
	1,337.44	3,603.47

39) LEGAL AND PROFESSIONAL EXPENSES INCLUDES AUDITORS REMUNERATION AND EXPENSES :

a) Statutory Auditors

- i) For Audit Fees
- ii) For Limited Review
- iii) For Other Services
- iv) For Reimbursement of Expenses*

b) Cost Auditors

- i) Cost Audit Fees

	23.00	22.00
	3.00	3.00
	17.31	20.50
	2.97	7.54
	<u>46.28</u>	<u>53.04</u>
	4.50	3.50

* Including Service tax but excluding Goods & Service Tax (GST)

40) RELATED PARTY DISCLOSURES :

As per Accounting Standard 24, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below.

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

- (a) **Key Management Personnel (KMP)** : Shri Ramesh D. Poddar - Chairman & Managing Director, Shri Pawan D. Poddar - Joint Managing Director, Shri Shrikishan Poddar - Executive Director, Shri Gaurav Poddar - President and Executive Director, Smt. Ashadevi R Poddar- Executive Director, Shri Ashok Jalan - Sr. President cum Director.
- (b) **Relatives of Key Management Personnel (KMP)** : Shri Avnish Poddar, Smt. Sangeeta Poddar, Shri Harshit S. Poddar, Smt. Anshruta Poddar w.e.f. February 2017 Smt. Vibha Poddar, Smt. Smriti Poddar, Smt. Megha Poddar upto 15th August 2017, Shri Abhishek Poddar upto December 2016.

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

- (c) **Non Executive Directors and Enterprises over which they are able to exercise significant influence:** Shri Harish N. Motiwalla, Prof. (Dr.) Mangesh D. Teli, Shri Shailesh S. Vaidya, Shri Ashok N. Garodia, Shri Dileep Shinde, Shri Pramod S. Jalan, Shri Tarun Kumar Govil, H. N. Motiwalla & Co.
- (d) **Subsidiary :** Cadini S.R.L. (100% wholly owned subsidiary, incorporated in Italy)
- (e) **Other Related Parties (Enterprises - KMP having significant influence / Owned by Major Shareholders) :** Sanchana Trading & Finance Ltd., S.P. Finance & Trading Ltd, Santigo Textile Mills Ltd., Image Commercial Pvt. Ltd., Vishal Furnishings Ltd., Golden Fibres LLP, Beetee Textile Industries Ltd., MMI Foods, Balkrishna Paper Mills Ltd.
- (f) **Related Party Transactions :** (₹ In Lakhs)

Nature of Transaction	For the Year Ended 31.03.2018				For the Year Ended 31.03.2017			
	Key Management Personnel & Relatives	Subsidiary	Other related Parties	Total	Key Management Personnel & Relatives	Subsidiary	Other related Parties	Total
Managerial Remuneration	1,911.43	-	-	1,911.43	1467.83	-	-	1,467.83
Sitting Fees and Commission	-	-	35.00	35.00	13.25	-	-	13.25
Purchase of Goods/Services	-	-	3,357.06	3,357.06	-	-	1,587.06	1,587.06
Investment in subsidiary	-	757.10	-	757.10	-	-	-	-
Investment in Preference Share	-	-	2,500.00	2,500.00	-	-	-	-
Purchase of Fixed Assets	-	-	0.28	0.28	-	-	-	-
Sale of Fixed Assets	-	-	45.34	45.34	-	-	1.77	1.77
Sales of Goods/materials	-	-	700.87	700.87	-	-	654.42	654.42
Rent / Property Tax Received	-	-	68.01	68.01	-	-	68.10	68.10
Rent Paid	-	-	106.99	106.99	-	-	121.73	121.73
Interest Received	-	-	13.44	13.44	-	-	-	-
Interest Paid	-	-	-	-	-	-	12.22	12.22
Intercompany Deposits Given	-	-	550.00	550.00	-	-	-	-
Intercompany Deposits Matured	-	-	-	-	-	-	100.00	100.00
Intercompany Deposits Returned	-	-	375.00	375.00	-	-	-	-
Commission Paid	-	-	108.62	108.62	-	-	84.34	84.34
Salary paid	184.17	-	-	184.17	175.33	-	-	175.33
Insurance Maturity Received	-	-	-	-	143.74	-	-	143.74
Reimbursement towards Acquisition of Assets	-	-	383.81	383.81	-	-	-	-

Notes : i) Parties identified by the Management and relied upon by the Auditors.

ii) No amount in respect of the related parties have been written off/back or are provided for during the year

g) Balance on account of:

(₹ In Lakhs)

	As on 31st March, 2018	As on 31st March, 2017
1. Trade Payable (other related parties)*		
Balkrishna Paper Mills Ltd.	-	0.46
Beetee Textile Industries Ltd.	366.02	18.07
Golden Fibres LLP	118.99	-
Sanchana Trading & Finance Ltd.	1.80	0.59
Santigo Textile Mills Ltd.	16.81	23.79
Vishal Furnishings Ltd.	154.48	151.98
Total	658.10	194.89

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

	As on 31st March, 2018	As on 31st March, 2017
2. Trade Receivable (other related parties)*		
Golden Fibres LLP.	-	0.99
Balkrishna Paper Mills Ltd.	4.69	-
MMI Foods	0.09	-
Total	4.78	0.99
3. Trade Receivable Capital Goods*		
Golden Fibres LLP	-	1.77
Balkrishna Paper Mills Ltd.	1.23	-
Beetee Textile Industries Ltd.	52.20	-
Total	53.43	1.77
4. Inter Corporate Deposit Placed		
S.P.Finance & Trading Ltd.	175.00	-
5. Investment in Subsidiary		
CADINI SRL	757.10	-
6. Investment in Preference Share		
Balkrishna Paper Mills Ltd	2,500.00	-

* Includes reimbursement

h) Disclosure in respect of material transactions with related parties during the Year (included in 'f' above) (₹ In Lakhs)

	Current Year	Previous Year
Purchase of Goods / Materials/Services.		
Beetee Textile Industries Ltd.	1,419.49	592.72
Image Commercial Pvt Ltd.	-	0.90
Santigo Textile Mills Ltd.	299.92	529.70
Balkrishna Paper Mills Ltd.	-	0.37
Vishal Furnishings Ltd.	278.74	455.16
Golden Fibres LLP.	1,358.91	-
H.N. Motiwalla & Co.	-	5.18
Tarun Kumar Govil	-	3.03
Purchase of Fixed Assets		
Beetee Textile Industries Ltd.	0.05	-
Vishal Furnishings Ltd.	0.23	-
Sales of Fixed Assets		
Beetee Textile Industries Ltd.	44.30	-
Golden Fibres LLP.	-	1.77
Balkrishna Paper Mills Ltd.	1.04	-
Sales of Goods / Materials/ Services		
Beetee Textile Industries Ltd.	40.30	-
Vishal Furnishings Ltd.	652.33	652.67
Balkrishna Paper Mills Ltd.	7.13	1.75
Golden Fibres LLP.	1.11	-
Rent Paid		
Beetee Textile Industries Ltd.	49.14	56.27
Sanchana Trading & Finance Ltd.	2.45	3.94
Vishal Furnishings Ltd.	55.40	61.52

	Current Year	Previous Year
Payment to Key Managerial Personnel		
Ramesh Poddar	534.03	377.25
Shrikishan Poddar	437.96	332.18
Pawan Poddar	458.21	341.03
Gaurav P. Poddar	318.77	293.40
Asha Devi Poddar	64.82	46.71
Ashok Kumar Jalan	97.64	77.26
Sitting Fees & Commission		
Harish N Motiwalla	10.25	3.75
Prof. (Dr.) Mangesh D. Teli	4.75	2.75
Shailesh S. Vaidya	2.75	0.50
Ashok N. Garodia	3.00	1.25
Dilip H. Shinde	5.25	2.50
Pramod S. Jalan	3.50	1.50
Tarun Kumar Govil	5.50	1.00
Salary to Relatives of KPM.		
Avnish Poddar	29.68	29.58
Vibha Poddar	28.37	27.74
Smriti Poddar	28.09	27.74
Sangeeta Poddar	28.18	29.50
Harshit S.Poddar	28.05	28.78
Abhishek Poddar (Upto December 2016)	-	21.01
Megha Poddar (Upto 15th August 2017)	14.82	6.46
Anshruta Poddar (WEF February, 2017)	26.98	4.52

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

	Current Year	Previous Year
Rent Received :		
Balkrishna Paper Mills Ltd.	39.25	45.10
Beetee Textile Industries Ltd.	18.74	14.78
Golden Fibres LLP	1.44	1.65
Santigo Textile Mills Ltd.	2.43	1.92
Vishal Furnishing Ltd.	5.96	4.65
MMI Foods	0.19	-
Inter Corporate Deposit Matured:		
S.P. Finance & Trading Ltd.	-	100.00
Inter Corporate Deposit Recovered.:		
S.P. Finance & Trading Ltd.	375.00	-
Investment in Subsidiary :		
CADINI S.R.L.	757.10	-
Reimbursement towards acquisition of property		
Vishal Furnishing Ltd	383.81	-

	Current Year	Previous Year
Interest Received:		
S.P. Finance & Trading Ltd.	13.44	-
Interest Paid :		
S.P. Finance & Trading Ltd.	-	12.22
Insurance Maturity Recd.		
Abhishek Poddar (Upto December 2016)	-	143.74
Commission/ Incentive Paid :		
Vishal Furnishings Ltd.	108.62	84.34
Inter Corporate Deposit Given:		
S.P. Finance & Trading Ltd.	550.00	-
Investment in Preference Share :		
Balkrishna Paper Mills Ltd	2,500.00	-

i) Executive Director Compensation

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
i) Short term employee benefits	1,789.86	1,316.68
ii) Post employment benefits	121.57	151.15
Total	1,911.43	1,467.83

41) The Company is engaged only in Textile business and there are no separate reportable segments as per Ind AS 108.

42) **Operating lease arrangements**

The Company has significant operating leases for premises. These lease arrangements range for a period between 1 years to 12 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent	1,151.96	672.93
With respect to non cancellable operating lease, the future minimum lease payment as at balance sheet date :		
For a period not later than one year	1,090.86	774.23
For a period later than one year and not later than five years	4,423.66	3,307.66
For a period later than five years	1,327.66	-

43) **Defined Benefit and Contribution Plan**

Providend Fund and Superannuation Fund are Defined Contribution Plan. Contribution paid for Providend Fund and Superannuation Fund are recognised as expense for the year :

(₹ In Lakhs)

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Employer's contribution to Providend Fund/Pension Scheme	1,054.93	1,158.76
Employer's contribution to Superannuation Fund	16.90	19.11

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

Defined Benefit Plan:- Gratuity (Funded)

The employees' gratuity fund scheme managed by a Trust is a defined benefit fund. The present value of the obligation is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
I) Reconciliation of Opening and Closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at Beginning of the year	1,547.03	1,145.10
Liability transferred in/ Acquisitions	-	192.65
Current Service Cost	201.39	158.69
Past Service Cost	88.67	
Interest Cost	117.11	91.15
Actuarial (Gain)/loss	26.34	86.96
Benefit Paid	(171.62)	(127.52)
Defined Benefit Obligation at the end of the year	1,808.92	1,547.03
II) Reconciliation of Opening and Closing balances of Fair value of plan Assets		
Defined Benefit Obligation at Beginning of the year	842.12	607.03
Actual return on plan Assets	52.89	52.06
Assets transferred in/ Acquisitions	-	121.27
Actuarial (Gain)/loss	-	-
Employers contribution	218.74	189.28
Benefit Paid	(171.62)	(127.52)
Fair value of plan assets at year end	942.13	842.12
III) Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	942.13	842.12
Present Value of Obligation	(1,808.92)	(1,547.03)
Amount Recognised in Balance Sheet [Surplus/(Deficit)]	(866.79)	(704.91)
IV) Expenses recognised during the year		
<u>In Income Statement</u>		
Current Service Cost	201.39	158.69
Interest Cost	53.36	42.83
Past Service Cost	88.67	-
Return on Plan Assets	-	-
Net Cost	343.42	201.52
<u>In Other Comprehensive Income</u>		
Actuarial (Gain)/ Loss	26.34	86.95
Return on Plan Assets	10.86	(3.74)
Net (Income)/Expense for the period recognised in OCI	37.20	83.21
V) Investment Details		
Insurance Fund	942.13	842.13
VI) Actuarial Assumption		
Financial Assumptions :		
Discount rate	7.87%	7.57%
Salary Escalation Rate #	4.00%	4.00%
Rate of Employee Turnover	2.00%	2.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

VII) Sensitivity Analysis :

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared with the previous period.

(₹ In Lakhs)

Gratuity :	As at 31 st March, 2018			As at 31 st March, 2017		
	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities
Discount rate	100bps	(114.76)	133.20	100bps	(107.85)	125.59
Salary Escalation Rate	100bps	133.93	(117.17)	100bps	128.92	(112.27)
Attrition Rate	100bps	41.70	(48.03)	100bps	35.25	(40.80)

VIII) Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities.

44) FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

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

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

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.
3. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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

Level 1 : Quoted (unadjusted) price in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

Financial Assets and Liabilities	As at 31 st March, 2018				As at 31 st March, 2017			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
At Amortised Cost								
Financial Assets								
- Loans	709.43	-	-	709.43	543.67	-	-	543.67
- Trade Receivable	42,176.89	-	-	42,176.89	30,454.88	-	-	30,454.88
- Other Financial Assets	774.21	-	-	774.21	22.91	-	-	22.91
- Cash & Cash Equivalents	2,204.35	-	-	2,204.35	399.96	-	-	399.96
- Other Bank Balance	78.21	-	-	78.21	63.19	-	-	63.19
	45,943.09	-	-	45,943.09	31,484.61	-	-	31,484.61
At FVTPL								
Financial Assets								
- Other Financial Assets	2,500.00	-	-	2,500.00	-	-	-	-
At Amortised Cost								
Financial Liabilities								
- Borrowings	54,876.29	-	-	54,876.29	26,738.45	-	-	26,738.45
- Other Financial Liabilities	6,666.42	-	-	6,666.42	7,649.01	-	-	7,649.01
- Trade Payables	18,106.11	-	-	18,106.11	14,016.39	-	-	14,016.39
	79,648.82	-	-	79,648.82	48,403.85	-	-	48,403.85

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31st March, 2018 and 31st March, 2017 :
(₹ In Lakhs)

	Equity Instrument
As at 1 April 2016	47.56
Acquisitions	-
Disposal	44.77
Gain/losses recognised in profit or loss	2.79
As at 31 st March, 2017	-
As at 31st March, 2018	-

Financial risk management objectives and policies

In the course of business, the company is exposed to certain financial risk that could have considerable influence on the Company's business and its performance. These include market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk. The Board of Directors review and approves risk management structure and policies for managing risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides service to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The company uses derivative financial instruments to hedge risk exposures in accordance with the Company's policies as approved by the board of directors.

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

a) Market Risk - Interest rate risk :

Interest rate risk is risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Sensitivity analysis below has been determined based on the exposures to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible changes in interest rates.

Exposure to interest rate risk

(₹ In Lakhs)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Total Borrowings	61,364.14	34,243.97
% of Borrowings out of above bearing variable rate of interest	77.33%	88.96%

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

(₹ In Lakhs)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
50 bp increase would decrease the profit before tax by	237.28	152.31
50 bp decrease would Increase the profit before tax by	(237.28)	(152.31)

b) Market Risk- Foreign currency risk.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The Company manages its foreign Currency risk by hedging transaction that are expected to occur within a maximum 12 month periods for hedge of forecasted sales and purchases in foreign currency.

The hedging is done through foreign currency forward contracts.

Derivative instruments and unhedged foreign currency exposure

Market Risk - Foreign Currency Risk:-

i) Derivative contracts outstanding as at 31st March, 2018

(₹ In Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
Forward Contract to Sell	USD	975.66	USD	645
Forward Contract to Buy	USD	6829.63	USD	-

ii) The following table shows foreign currency exposures in USD, EUR, GBP and JPY on financial instruments at the end of the reporting period.

Foreign Currency Exposure

(₹ In Lakhs)

Particulars	As at 31 st March, 2018				As at 31 st March, 2017			
	USD	GBP	EUR	JPY	USD	GBP	EUR	JPY
Trade and Other Payables	-	-	-	-	389	-	389	44
Trade and Other Receivables	735	121	6	-	12	-	-	-

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

iii) Sensitivity analysis of 5% change in exchange rate at the end of reporting period.

Foreign Currency Exposure

(₹ In Lakhs)

Particulars	As at 31 st March, 2017				As at 31 st March, 2016			
	USD	GBP	EUR	JPY	USD	GBP	EUR	JPY
5% Depreciation in INR								
Impact on P&L	36.75	6.05	0.30	-	(18.84)	-	(19.45)	(2.20)
5% Appreciation in INR								
Impact on P&L	(36.75)	(6.05)	(0.30)	-	18.84	-	19.45	2.20

c) Equity Price Risk

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. The fair value of some of the Company's investments exposes the company to equity price risks. At the reporting date, the company do not hold any equity securities.

d) Credit Risk

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Trade receivables consist of a large number of customers, spread across geographical areas. Outstanding customer receivables are regularly monitored.

The average credit period is in the range of 30 -90 days. However in select cases credit is extended which is backed by security deposit/bank guarantee/letter of credit and other forms. The Company's Trade receivables consist of a large number of customers, across geographies hence the Company is not exposed to concentration risk.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates.

Ageing of Account receivables

(₹ In Lakhs)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Not Due	12,386.87	17,652.01
0-3 Months	20,293.60	4,917.66
3-6 Months	6,064.63	4,831.29
6 Months to 12 Months	2,591.41	2,007.12
Beyond 12 months and less than 3 years	840.38	1,046.80
Total	42,176.89	30,454.88

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

e) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital limits from various banks. Furthermore, the Company access to funds from debt markets through commercial paper programs and short term working capital loans.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ In Lakhs)

Particulars	Within 1 year	More than 1 year	Total
As on 31 st March 2018			
Borrowings	43,889.83	13,449.60	57,339.43
Trade and other Payables	18,106.11		18,106.11
Other Financial Liabilities	178.57	4,024.71	4,203.28
As on 31 st March 2017			
Borrowings	24,072.94	6,388.80	30,461.74
Trade and other Payables	14,016.39	-	14,016.39
Other Financial Liabilities	143.49	3,782.23	3,925.72

45) EXPORT PROMOTION CAPITAL GOODS (EPCG) :

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

46) DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

(₹ In Lakhs)

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Amount required to be spent as per Section 135 of the Act	254.83	229.30
Amount spent during the year on:		
(i) Construction / acquisition of an asset	186.90	189.80
(ii) On purpose other than (i) above	96.23	23.47
Total	283.13	213.27

47) DETAILS OF PRE-OPERATIVE EXPENSES INCLUDED IN CAPITAL WORK IN PROGRESS :

Particulars	Current Year
a) Salaries, Wages, Allowances and Bonus	120.31
b) Contribution to Provident, Gratuity and other funds	6.50
c) Workmen and Staff Welfare Expenses	4.67
d) Processing & Labour Charges	0.91
e) Power & Fuel	2.23
f) Rent	3.30
g) Legal & Professional Charges	0.07
h) Travelling & Conveyance Expenses	16.57
i) Freight & Forwarding Charges	4.05
j) Insurance	0.67
k) Miscellaneous Expenses	9.27
l) Repairs to Others	4.75
m) Depreciation	1.77
	<u>175.07</u>

48) As per legal opinion obtained, the contribution made towards the common effluent treatment plant of ₹ 601.54 lakhs has been considered as revenue expenditure and is written off in the books of account during the year and shown as exception item. In the earlier year the said contribution was shown as other non-current assets.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

49) Event after reporting period :

The Board of Directors of the Company has recommended a Final Dividend @ 100% i.e. ₹ 2/- per equity share for the financial year 2017-18 (Refer Note 37).

50) Approval of Financial Statement

The financial statements were approved for issue by the Board of Directors on 29th May, 2018.

51) The previous period figures have been regrouped reclassified, wherever considered necessary.

As per our report of even date attached

For **Songira & Associates**
Chartered Accountants
(Firm Registration No.128085W)

(Dharmendra S. Songira)
Partner
Membership No. 113275

Mumbai, 29th May, 2018

For and on behalf of the Board of Directors

R.D.PODDAR
Chairman & Managing Director
DIN 00090104

S. S. SHETTY
Chief Financial Officer

P.D.PODDAR
Joint Managing Director
DIN 00090521

W.V. FERNANDES
Company Secretary