Notes on Financial Statements

For The Year Ended 31St March 2019

COMPANY BACKGROUND

Super Crop Safe Limited ("The Company") was incorporated on 9th February, 1987 vide certificate of incorporation no: L24231GJ1987PLC009392 under the Companies Act, 1956. The Company is engaged in the business of manufacturing and trading of Agro Chemicals.

1 Significant Accounting Policies:

1.1 <u>Statement of compliance:</u>

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rules notified there under to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

1.2 <u>Basis of Preparation of Financial Statements:</u>

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

1.3 <u>Revenue Recognition:</u>

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

a) Sale of Goods

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer

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has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 90-120 days. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

(b) Revenue in respect of leakage/shortage/insurance and other claims is recognised only when these claims are accepted. Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

c) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.4 <u>Employee Benefits:</u>

<u>Retirement benefit costs and termination benefits</u>

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

<u>Short-term and other long-term employee benefits</u>

A liability is recognized for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.5 <u>Taxation:</u>

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

<u>Deferred tax</u>

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.

Notes on Financial Statements

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Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

1.6 Property, plant and equipment:

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the written-down value method over the useful lives of assets as prescribed under part C of schedule II of the Companies Act, 2013.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Capital work in progress in stated at cost less accumulated impairment loss, if any.

1.7 Impairment of Non-Financial assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

1.8 Inventory:

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value after providing for obsolescence, if any.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

Materials in transit are valued at cost-to-date.

1.9 Provisions and Contingencies :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not; require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.10 Financial Instruments

Financial assets and financial liabilities are recognized when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1.11 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer para of Impairment of financial assets.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- The asset is held within a business model whose objective is achieved both by collecting Contractual cash flows and selling financial assets; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer Para of Impairment of financial assets. All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial

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asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognized in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

1.12 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.
The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

1.13 Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction or that approximates the actual rates at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the yearend rates. The difference between the rates prevailing on the date of transaction and on the date of settlement as also on transaction Monetary items at the end of year is recognized, as the case may be, as income or expense for the period.

Non-Monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency, are transferred using the exchange rates at the date when the fair value is measured.

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For The Year Ended 31St March 2019

1.14 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.15 Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.16 Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

1.17 Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, up to the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.18 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. The Company's primary segment is identified as Agro-chemical segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers.

1.19 Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting preference dividends and attributable taxes 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 period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any

1.20 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 1.4)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.6)
- Estimation of taxes (Note 1.5)
- Estimation of impairment (Note 1.7 & 1.11)
- Estimation of provision and contingent liabilities (Note 1.9)

2. Recent Accounting Pronouncements

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.

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For The Year Ended 31St March 2019

I) Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

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NOTE : 3 : Property, Plant and Equipment

(Amount ₹ in Lakh)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01/04/2018	Addition During year	Sales/ Deletion During year	Total As on 31/03/2019	Up To 01/04/2018	Provided During Year	Sales/ Deletion During year	Total As on 31/03/2019	As on 31/03/2019	As on 31/03/2018
Land	52.93	-	-	52.93	-	-	-	-	52.93	52.93
Office Building HMT	9.64	-	-	9.64	6.45	0.16	-	6.60	3.04	3.20
Guest House Building HMT	3.21	-	-	3.21	1.65	0.17	-	1.82	1.39	1.56
Factory Building	302.88	60.32	-	363.20	79.96	13.14	-	93.11	270.10	222.92
Plant & Machinery	607.93	49.07	-	657.00	360.77	44.01	-	404.79	252.22	247.16
Vehicles	142.02	18.66	(0.35)	160.33	55.72	22.90	(0.33)	78.29	82.04	86.30
Furniture & Fixtures	12.36	0.22	-	12.57	6.36	1.68	-	8.04	4.54	6.00
Office Equipments	8.17	1.68	-	9.85	3.88	1.75	-	5.63	4.22	4.29
Total	**1,139.15**	**129.94**	**(0.35)**	**1,268.74**	**514.79**	**83.81**	**(0.33)**	**598.27**	**670.48**	**624.36**
Previous Year	**999.28**	**171.01**	**(31.14)**	**1,139.15**	**406.97**	**75.64**	**(21.82)**	**514.79**	**624.36**	**538.31**

NOTE : 4 : NON-CURRENT INVESTMENTS

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment in Equity Instruments (Unquoted)		
Naroda Ind Co.Op.Bank Ltd - Share	0.02	0.02
Investment in Mutual Funds (Quoted)		
SBI Mutual Fund	22.85	21.37
Total	**22.87**	**21.39**

NOTE : 5 : OTHER FINANCIAL ASSET (NON CURRENT)

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Bank Deposit with maturity more than 12 months	1.18	1.18
Total	**1.18**	**1.18**

NOTE : 6 : INCOME TAXES

Tax Expenses (Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current Tax	87.59	67.07
Deferred Tax	6.67	(0.86)
Total Income Tax Expenses*	**94.26**	**66.22**

*(excluding deferred tax benefit on OCI)

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Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Profit Before Tax	638.84	559.90
Statutory Tax Rate (%)	33.06%	33.06%
Tax at statutory tax rate	211.20	185.12
Tax effect of non-taxable Income	(125.51)	(123.63)
Tax effect of deductible expenses	-	(27.17)
Tax effect of non-deductible expenses	-	30.70
Tax effect of change in deferred tax rate	-	(2.07)
Others	8.57	3.27
Income Tax Expense	94.26	66.22
Effective Tax Rate	14.75%	11.83%

DEFERRED TAX ASSETS (NET)

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liability		
Property, Plant and Equipment	(12.96)	(5.15)
Fair Value of financial instrument	(0.79)	(0.38)
Deferred Tax Assets		
Expense claimed for tax purpose on payment basis	11.09	10.94
Expenditure not deductible for tax purpose	-	1.64
Allowance for Doubtful Debts	8.21	6.68
Total	**5.55**	**13.73**

Movement in deferred tax assets and liabilities
For the year ended on March 31, 2019

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2018	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2019
Deferred tax assets/(liabilities)				
Property, Plant and Equipment	(5.15)	(7.81)	-	(12.96)
Fair Value of financial instrument	(0.38)	(0.41)	-	(0.79)
Expense claimed for tax purpose on payment basis	10.94	1.66	(1.51)	11.09
Expenditure not deductible for tax purpose	1.64	(1.64)	-	-
Allowance for Doubtful Debts	6.68	1.54	-	8.21
Total	**13.74**	**(6.67)**	**(1.51)**	**5.55**

Notes on Financial Statements

For The Year Ended 31St March 2019

NOTE : 7 : INVENTORIES

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Finished Goods	627.11	491.86
Raw Material	1,801.80	862.08
Packing Material	249.89	225.93
Total	**2,678.81**	**1,579.87**

* Refer note 1.8 for accounting policy on inventory.

NOTE : 8 : TRADE RECEIVABLES

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured considered good	3,196.95	2,941.55
Unsecured considered doubtful	29.52	23.55
Less: Allowance for Doubtful Debts*	(29.52)	(23.55)
Total	**3,196.95**	**2,941.55**

* Refer note 30 for movement in allowance for doubtful debt.

NOTE : 9 : CASH AND CASH EQUIVALENTS

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with banks	-	9.48
Cash on hand	31.66	27.63
Total	**31.66**	**37.12**

NOTE : 10 : OTHER BANK BALANCES

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance with Banks -unclaimed dividend	13.47	13.71
Total	**13.47**	**13.71**

NOTE : 11 : OTHER FINANCIAL ASSETS

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances recoverable in cash for value to be received	14.84	5.15
Accured Interest	0.13	0.13
Total	**14.97**	**5.28**

NOTE : 12 : OTHER CURRENT ASSETS

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances to Staff	7.84	4.21
Prepaid Expenses	4.12	4.73
Advances to Supplilers	49.40	35.60
Balance with Central Excise and VAT Authorities, etc	80.29	66.49
Total	**141.66**	**112.03**

NOTE : 13 : SHARE CAPITAL

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Authorised Share Capital		
500,00,000 Equity Shares of ₹ 2/- each (5,00,00,000 Equity Shares of ₹ 2/- each as at 31st March 2018)	1,000.00	1,000.00
Total	**1,000.00**	**1,000.00**
Issued and Subscribed Share Capital		

Notes on Financial Statements

For The Year Ended 31St March 2019

Particulars	As at 31st March, 2019	As at 31st March, 2018
3,97,05,000 Equity Shares of ₹ 2/-each issued & Called up (Previous year 3,94,25,000 Equity Shares)	794.10	788.50
Paid up Share Capital		
3,95,24,500 Equity Shares of ₹ 2/- each (3,92,44,500 Equity Shares of ₹ 2/- each as at 31st March 2018)	790.49	784.89
(During the year 2,80,000/- Equity Shares of ₹ 2/- each issued on preferential basis at a premium of ₹ 32/- per share. In the year 2017-18 3,00,000/- Equity Shares of ₹ 10/- each issued on preferential basis at a premium of ₹ 60/- per share on convertion of warrants.)		
Total	**790.49**	**784.89**

Shareholders holding more than 5% shares

Name of the Shareholder	As at 31st March, 2019	As at 31st March, 2018
Satishbhai I Patel		
No. of Shares	2,480,000	2,480,000
Percentage of share holding	6.27%	6.32%
Ambalal Baldevdas Patel		
No. of Shares	3,524,500	3,524,500
Percentage of share holding	8.92%	8.98%

The reconciliation of the nubmber of shares outstanding is set out below:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Equity Shares at the beginning of the year	39,244,500	7,548,900
Add: Shares issued on preferential basis/ on Conversion of Warrants	280,000	300,000
Add: Increase in shares on account of subdivision	-	31,395,600
Equity Shares at the end of the year	**39,524,500**	**39,244,500**

NOTE : 14 : OTHER EQUITY

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Securities Premium Reserve		
As per Last Balance Sheet	1,001.20	821.20
Add: Securities premium credited on issued of shares	89.60	180.00
	1,090.80	1,001.20
General Resereve		

Notes on Financial Statements

For The Year Ended 31St March 2019

Particulars	As at 31st March, 2019	As at 31st March, 2018
As per Last Balance Sheet	771.01	421.01
Add: Transferred from Retained Earnings	500.00	350.00
	1,271.01	771.01
Capital Reserves		
As per Last Balance Sheet	2.37	2.37
Add: Transferred from Retained Earnings	-	-
	2.37	2.37
Retained Earnings		
As per Last Balance Sheet	130.92	50.83
Add: Profit for the year	544.58	493.69
Less: Appropriations -		
Dividend on Equity Shares	(39.52)	(52.84)
Dividend Distribution Tax	(8.12)	(10.76)
Transferred to General Reserve	(500.00)	(350.00)
	127.85	130.92
Other Comprehensive Income		
As per Last Balance Sheet	(1.22)	(1.65)
During the year	3.92	0.43
	2.70	(1.22)
Money Received Against Equity Share Warrants		
As per Last Balance Sheet	-	157.50
Add: Share Warrants issued during the year	184.45	-
Less: Share Warrants Converted during the year	-	157.50
	184.45	-
Total	**2,679.18**	**1,904.27**

NOTE : 15 : BORROWINGS (NON CURRENT)

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	A s at 31st March, 2018
Secured - Term Loan from Bank	12.34	23.73
Total	**12.34**	**23.73**

1. 31st March 2019 Vehicle loans against hypothication of vehicles itself from Yes Bank at 8.70% interest rate p.a. repayable in 36 equal monthly installment and HDFC Bank at 8.60% interest rate repayable in 60 equal monthly installment.
2. 31st March 2018 Vehicle loans against hypothication of vehicles itself from Yes Bank at 8.70% interest rate p.a. repayable in 36 equal monthly installment and HDFC Bank at 8.60% interest rate repayable in 60 equal monthly installment.

NOTE : 16 : PROVISIONS (NON CURRENT)

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits (Refer Note 35)	39.85	34.99
Total	**39.85**	**34.99**

Notes on Financial Statements
For The Year Ended 31St March 2019

NOTE : 17 : BORROWINGS (CURRENT)

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured - Working Capital Loans		
From Banks		
Cash Credit Account	1,251.50	1,197.35
Letter of Credit	69.12	-
(Working capital loans are guaranted by Executive Directors and secured by hypothication of present and future stock of raw materials, stock in process, finished goods, book debts and equitable mortgage on Land & Building located at Suervey No. 1482 & 1488, Himatpura (Bilodra), Ta: Mansa, Dist: Gandhinagar.)		
Total	**1,320.62**	**1,197.35**

NOTE : 18 : TRADE PAYABLES

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Payables		
Due to Micro and Small Enterprises (Refer Note 36)	91.81	-
Due to Others	1,291.07	1,017.09
Total	**1,382.88**	**1,017.09**

NOTE : 19 : OTHER FINANCIAL LIABILITIES (CURRENT)

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current Maturities of Long-Term Debt from Bank (Refer Note 15)	24.53	7.82
Unclaimed Dividends	13.47	13.71
Trade Deposits	3.70	5.80
Total	**41.70**	**27.32**

NOTE : 20 : OTHER CURRENT LIABILITIES

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory Liabilities	110.33	103.24
Advances from Customers	194.42	138.41
Other Payables	73.75	27.50
Total	**378.50**	**269.15**

NOTE : 21 : PROVISIONS (CURRENT)

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits	23.80	36.74
Provision for Dividend Distribution Tax	18.88	10.76
Provision for Audit Fees	1.80	1.80
Total	**44.49**	**49.30**

NOTE : 22 : REVENUE FROM OPERATIONS

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Sale of Products (Including Excise Duty)	6,441.99	6,965.69
Other Operating Revenues	-	45.13
Total	**6,441.99**	**7,010.82**

NOTE : 23 : OTHER INCOME

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Insurance Claim Receivable	-	2.11
Interest Income	31.35	0.19
Gain on Fair Value Changes of Investments classified as FVTPL	1.48	1.37
Profit on Sale of Asset	-	-
Total	**32.83**	**3.67**

Notes on Financial Statements

For The Year Ended 31St March 2019

NOTE : 24 : COST OF MATERIALS CONSUMED

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw Material Consumed		
Opening Stock	1,088.01	831.67
Add : Purchase	5,585.50	4,638.69
	6,673.51	5,470.36
Less : Closing Stock	(2,051.70)	(1,088.01)
Total	**4,621.81**	**4,382.35**

NOTE : 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Stock	491.86	682.75
Closing Stock	627.11	491.86
Total	**(135.25)**	**190.89**

NOTE : 26 : EMPLOYEE BENEFITS EXPENSE

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Salaries, Wages and Bonus	229.85	227.82
Contribution to Provident Fund and Other Funds	14.26	14.31
Staff Welfare Expenses	7.39	7.10
Gratuity Expense	10.75	9.17
Total	**262.25**	**258.39**

NOTE : 27 : FINANCE COSTS

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest Expense	123.36	110.81
Other Financial Charges	12.77	12.65
Foreign Exchange Fluctuation Gain/loss	2.52	(1.02)
Total	**138.65**	**122.45**

NOTE : 28 : OTHER EXPENSES

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Freight and Forwading Expense	23.27	26.89
Packing Expense	34.11	21.58
Other Expense	19.26	11.67
Power and fuel	21.71	19.14
Rates & Taxes	50.53	89.40
Repairs & Maintenance to Plant & Machinery	8.95	7.31
Repairs & Maintenance to buildings	2.82	2.90
Repairs & Maintenance to Others	1.92	1.39
Selling & Distribution Expenses	277.55	241.52
Office Maintenance Expenses	14.93	15.68
Vehicle Maintenance Expenses	13.71	12.82
Loss on Sale of Assets (Net)	-	3.84
Legal & Professional Expenses	54.74	32.03
Directros' Remmuneration	24.00	24.00
Rent	19.91	18.37
Insurance	7.06	1.66
Payment to Auditors (Refer Note 28(A))	3.15	4.58
Allowance for Doubtful Debts	5.97	4.87
Total	**583.60**	**539.64**

NOTE: 28(A) PAYMENT TO AUDITORS

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Audit Fees	3.15	3.15
Taxation Matters	-	0.75
Other Matters	-	0.68
Total	**3.15**	**4.58**

In the year 2017-18 Taxation and other Matters payment to auditors was made before being appointed as auditors.

Notes on Financial Statements

For The Year Ended 31St March 2019

NOTE: 29: Financial Instruments

Financial Instruments Classification by Category

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019		
	Fair Value through Profit & Loss	Fair Value through Other Comprehensive Income	Amortised Cost
Financial Assets			
Investments	22.87	-	-
Trade Receivable	-	-	3,196.95
Cash and cash equivalents	-	-	31.66
Bank balances other than above	-	-	13.47
Other Financial Assets	-	-	16.15
Financial Liabilities			
Borrowings	-	-	1,332.95
Trade payables	-	-	1,381.68
Other Financial Liabilities	-	-	41.70

Particulars	As at 31st March, 2018		
	Fair Value through Profit & Loss	Fair Value through Other Comprehensive Income	Amortised Cost
Financial Assets			
Investments	21.39	-	-
Trade Receivable	-	-	2,941.55
Cash and cash equivalents	-	-	37.12
Bank balances other than above	-	-	13.71
Other Financial Assets	-	-	6.46
Financial Liabilities			
Borrowings	-	-	1,221.08
Trade payables	-	-	1,017.09
Other Financial Liabilities	-	-	27.32

Notes on Financial Statements

For The Year Ended 31St March 2019

Fair Value Hierarchy

(Amount ₹ in Lakh)

Financial Assets and liabilities measured at fair value 31.03.2019	Level 1	Level 2	Level 3	Total
Financial Assets				
FVTPL	22.87	-	-	22.87
Not Designated as Hedges	22.87	-	-	22.87

Financial Assets and liabilities measured at fair value 31.03.2018	Level 1	Level 2	Level 3	Total
Financial Assets				
FVTPL	21.39	-	-	21.39
Not Designated as Hedges	21.39	-	-	21.39

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

the use of quoted market prices or dealer quotes for similar instruments

Fair Value of Financial Assets & Liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

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

NOTE: 30: Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to.

Credit Risk Management

Company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assesses and maintains an internal credit rating system. Internal credit rating is performed on for each class of financial instruments with different characteristics.

The company is making provision on Trade Receivables based on Expected Credit Loss Model (ECL).

Notes on Financial Statements
For The Year Ended 31St March 2019

Reconciliation of loss allowance provision

(Amount ₹ in Lakh)

Reconciliation of Loss Allowance	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	23.55	19.13
Changes due to purchase/ realisation of asset	5.97	4.87
Write off Bad Debts	-	(0.45)
Closing Balance (As reported in Note 8)	29.52	23.55

Ageing (Days)	0-90	91-180	181-365	>365
Percentage of Provision	0.10%	0.25%	0.50%	2.5%

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities (31.03.2019)

(Amount ₹ in Lakh)

Financial Liabilities	Within 12 months	After 12 months
Non-Derivative		
Borrowings	1,320.62	12.34
Trade Payables	1,381.68	-
Other Financial Liabilities	41.70	-

Maturities of financial liabilities (31.03.2018)

(Amount ₹ in Lakh)

Financial Liabilities	Within 12 months	After 12 months
Non-Derivative		
Borrowings	1,197.35	23.73
Trade Payables	1,017.09	-
Other Financial Liabilities	27.32	-
Derivative	-	-

Market Risk Management

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 does not operate internationally and is not exposed to foreign exchange risk.

Price Risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Notes on Financial Statements
For The Year Ended 31St March 2019

Sensitivity

(Amount ₹ in Lakh)

Particulars	Impact on PBT		Impact on other Components of Equity	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Increase in Value of Investments measured at FVTPL by 5%	1.14	1.07	-	-
Decrease in Value of Investments measured at FVTPL by 5%	(1.14)	(1.07)	-	-

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2019 and 31 March 2018, the Company's borrowings at variable rate were mainly denominated in INR. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Variable Rate borrowings	1,288.36	1,228.90

At the end of reporting period the Company had the following variable rate borrowings

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Average Interest Rate	Balance	%of Total Loan	Average Interest Rate	Balance	%of Total Loan
Bank Cash Credit Loans	10.25%	1,251.50	96.99%	9.25%	1,197.35	97.43%
Bank Term Loans	8.81%	36.86	3.01%	8.63%	31.54	2.57%
Net Exposure	-	1,288.36	100.00%	-	1,228.90	100.00%

Sensitivity Analysis

(Amount ₹ in Lakh)

Particulars	Impact on PBT		Impact on other Components of Equity	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st 1 March, 2019	As at 31st March, 2018
Interest Rate increase by 100 basis points	(12.08)	(12.00)	-	-

Notes on Financial Statements

For The Year Ended 31St March 2019

NOTE: 31: Capital Management

The Company's objectives when managing capital are to

safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Net Debt	1,325.82	1,191.78
Total Equity	3,469.67	2,689.16
Debt Equity Ratio	0.38	0.44

Dividends recognized as distributed to owners

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Final Dividend	39.52	52.84
-Details per share	0.50	0.70
Interim Dividend		
-Details per share	-	-

NOTE: 32: Segment information

In line with Ind AS 108 operating segments and basis of the review of operations being done by the senior management, the operations of the group falls under Agro Chemicals business which is considered to be the only reportable segment by the management. The Company is principally engaged in a single business segment viz., "Agro-Chemicals" which is also the major revenue generating product.

1. Information about Products and Services:

(Amount ₹ in Lakh)

Product/Service	Revenue from the product
Agro Chemicals	₹ 6,441.99 Lakh

2. Information about Geographical Areas:

(Amount ₹ in Lakh)

Geographical Information	Revenues
Within India	₹ 6,441.99 Lakh

Notes on Financial Statements

For The Year Ended 31St March 2019

3. Information about Major Customers:

Revenue from transactions with a single customer exceeds 10 percent or more of entity's revenues with one customers.

NOTE: 33: Related Party Transactions: Give a List of related parties with relationship

(a) List of Related Parties

Name of Related Party	Nature of Relationship
Nitin I. Patel	Managing Director
Ishwarbhai B. Patel	Director
Bhogilal A Patel	Son of a Director
Tushar N Patel	Son of a Director
Bhupendra A. Patel	Son of a Director
Gopinath Packaging	Controlling int. by directors' relative
Super Industries	Controlling int. by director
Pioneer Pesticides Ind.	Controlling int. by directors' relative
VIP Industries	Controlling int. by directors' relative

(b) Key Managerial Personnel Compensation:

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Short term employee benefits	24.00	26.86

(c) Transactions with related Parties

(Amount ₹ in Lakh)

Name of Related Party	Nature of Transaction	Year Ended 31st March, 2019		Year Ended 31st March, 2018	
		Amount of transactions	Amount Outstanding	Amount of transactions	Amount Outstanding
Ishwarbhai B. Patel	Remuneration	12.00	-	12.00	1.82
Nitin I Patel	Remuneration	12.00	-	12.00	1.82
Bhogilal A Patel	Salary & Allowances	6.50	-	-	-
Tushar N Patel	Salary & Allowances	2.98	0.46	-	-
Bhupendra A Patel	Salary & Allowances	-	-	1.20	0
Super Industries	Purchase	341.72	366.16	834.79	122.50
	Rent	2.40		1.63	
	Sales	323.68		616.88	
Pioneer Pesticides Industries	Purchase	1,113.25	173.13	835.92	356.82
	Sales	1,063.89		1,176.64	
VIP Industries	Purchase	-	112.17	-	90.89
	Sales	71.00		119.18	
Gopinath Packaging	Purchase	25.93	35.89	49.82	42.68
	Sales	1.90		19.39	-

Notes on Financial Statements
For The Year Ended 31St March 2019

NOTE: 34: Earnings per Share (in ₹)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Basic EPS		
From Continuing Operations attributable to equity share holders	1.38	1.28
From Discontinuing Operations	-	-
Total Basic EPS attributable to equity Shareholders	1.38	1.28
Diluted EPS		
From Continuing Operations attributable to equity share holders	1.38	1.28
From Discontinuing Operations	-	-
Total Diluted EPS attributable to equity Shareholders	1.38	1.28

Reconciliation of earnings used in calculation of EPS

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Basic EPS		
Profit attributable to equity shareholders used in calculation of Basic EPS		
-from continuing operations	544.58	493.69
-from discontinued operations	-	-
Diluted EPS		
Profit from continuing operations attributable to equity shareholders	544.58	493.69
Used in calculation of basic EPS		
Add/less		
Used in calculation of diluted EPS	-	-
Profit from discontinued operation	-	-
Profit attributable to equity holders of the company used in calculating diluted EPS	544.58	493.69

Weighted Average number of shares as denominator

Particluars	As at 31st March, 2019	As at 31st March, 2018
Weighted Average number of shares used in Calculation of Basic EPS	394.66	386.61
Adjustment for calculation of diluted EPS		
Options	-	-
Convertible Warrants	-	-
Weighted Average number of shares and potential equity shares used as denominator in calculation of Diluted EPS	394.66	386.61

Notes on Financial Statements

For The Year Ended 31St March 2019

NOTE: 35: Employee Benefits

Defined Contribution Plan

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Company's Contribution towards Provident Fund	13.63	13.13

Defined Benefits Plan

Gratuity: The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following table sets out the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31st March 2019

Balance sheet disclosures

(a) The amounts disclosed in the balance sheet and the movements in the defined benefit obligation over the period:

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Liability at the beginning of the period	**34.99**	**30.88**
Interest Costs	2.74	2.22
Current Service Costs	8.01	6.90
Transfers	-	-
Benefits paid	(0.45)	(4.35)
Actuarial (Gain)/Loss on obligations due to change in		
-Demography	-	-
-Financials	0.15	(2.30)
-Experience	(5.59)	1.68
Liability at the end of the period	**39.85**	**34.99**

(b) Movements in the fair value of plan assets

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fair value of plan assets at the beginning of the period	-	-
Interest Income		
Expected return on plan assets		
Contributions		
Benefits paid		
Fair value of plan assets at the end of the period		

(c) Net liability disclosed above relates to

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fair value of plan assets at the end of the period		
Liability as at the end of the period	39.85	34.99
Net Liability/Asset	39.85	34.99
Non-Current Portion	39.85	34.99
Current Portion	-	-

(d) Balance Sheet Reconciliation

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Net liability	34.99	30.83
-Expenses recognised in the statement of P&L	10.75	9.12
-Expenses recognised in the OCI	(5.44)	(0.62)
-Benefits Paid to employees	(0.45)	(4.35)
Amount recognised in the Balance Sheet	39.85	34.99

Notes on Financial Statements
For The Year Ended 31St March 2019

Profit & Loss Disclosures

(a) Net interest Cost for Current period

(Amount ₹ in Lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Interest Cost	2.74	2.22
Interest Income	-	-
Net interest Cost	**2.74**	**2.22**

(b) Expenses recognised in the profit & loss

(Amount ₹ in Lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Net Interest Cost	2.74	2.22
Current Service Cost	8.01	6.90
Expenses recognised in the profit & loss	**10.75**	**9.12**

(c) Expenses recognised in the Other Comprehensive Income

(Amount ₹ in Lakh)

Particulars	As at 31st March 2019	As at 31st March 2018
Remeasurement		
Expected return on plan assets	-	-
Actuarial (Gain) or Loss	(5.44)	(0.62)
Net (Income) / Expenses recognised in OCI	**(5.44)**	**(0.62)**

Sensitivity Analysis

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Projected Benefit obligation on current assumptions	34.99	34.99
Data effect of 1% change in Rate of		
-Discounting	(3.48)	(3.20)
-Salary Increase	4.09	3.76
-Employee Turnover	0.02	0.02
Data effect of (-1%) change in Rate of		
-Discounting	4.09	3.77
-Salary Increase	(3.54)	(3.25)
-Employee Turnover	(0.05)	(0.05)

Significant Actuarial Assumptions

Particulars	As at 31st March, 2019	As at 31st March, 2018
Discount Rate	7.79%	7.83%
Rate of return on Plan Assets	-	-
Salary Escalation	7.00%	7.00%
Attrition Rate	2.00%	2.00%

NOTE: 36: Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2018-19, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(Amount ₹ in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a. Principal and interest amount remaining unpaid	91.81	-
b. Interest due thereon remaining unpaid*	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-

Notes on Financial Statements

For The Year Ended 31St March 2019

Particulars	As at 31st March, 2019	As at 31st March, 2018
e. Interest accrued and remaining unpaid	-	-
f. 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 enterprises	-	-

* Company has not provided interest on MSME dues as per the terms agreed with supplier.

NOTE: 37: Revenue from Contracts with Customers:

Disaggregated Revenue Information:

(Amount ₹ in Lakh)

Particulars	Revenue from the product [Amt. ₹]	
	2018-2019	2017-2018
Types of Product/Service		
Agro Chemicals	6,441.99	7,010.82
Geographical Disaggregation:		
Revenues within India	6,441.99	7,010.82
Timing of revenue recognition wise		
-At a point in time	6,441.99	7,010.82
-Over the period of time	-	-

Contract balances:

The following table provides information about receivables, contracts assets and contract liabilities from contracts with customers:

(Amount ₹ in Lakh)

Particulars	AMT. ₹	
	2018-2019	2017-2018
Contract assets		
Trade Receivables	3,196.95	2,941.55
Contract liabilities		
Advances from customers	194.42	138.41

Revenue recognised in relation to contract liabilities

(Amount ₹ in Lakh)

Particulars	Contract liabilities	
	2018-2019	2017-2018
Revenue recognised that was included in the contract liability balance at the beginning of the period	124.14	61.57

NOTE: 38: Previous year's figures have been rearranged and reclassified wherever necessary to correspond with the current year.

For, Naresh J Patel & Co.
Chartered Accountants.
FRN.: 123227W

(Chintan Patel)
Partner
M.N.:110741

Place : Ahmedabad
Date : 30.05.2019

For & on Behalf of Board

Shri Ishwarbhai B. Patel
(CEO & CD)

Shri Nitin I. Patel
(CFO & MD)

Hiral Patel
(Company Secretary)

Place : Ahmedabad
Date : 30.05.2019