KAISER CORPORATION LIMITED
Notes to the financial statements for the year ended 31 March 2018

1 CORPORATE INFORMATION:

Kaiser Corporation Limited ("the Company") is engaged in the business of printing of labels and cartons in India. The Company was incorporated on 20 September 1993, having its registered office at Kaiser Corporation Limited, Timmy Arcade, Fourth floor, unit no. 406, Makwana Road, Andheri (East), Mumbai - 400059 .The Company has two subsidiary namely, Powertel Engineering Private Limited (upto 3 October 2016) engaged in manufacturing and trading of engineering goods and Xicon International Limited which is engaged in offering Turnkey Project Management and Engineering services.

The Standalone financial statements for the year ended 31 March 2018 were authorized for issue by the Board of Directors on 29 May 2018.

2 BASIS OF PREPARATION AND PRESENTATION

2.01 Basis of preparation of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis and on the basis of accounting principle of a going concern in accordance with generally accepted accounting principles (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Financial Statements are presented in Lakhs or decimal thereof.

The Company has adopted all issued Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting principal generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules. 2014, which was the previous GAAP. Reconciliation and descriptions of the effect of the transition has been summarized in Note 42.

2.02 Functional and presentation currency:

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). Indian rupee is the functional currency of the Company.

2.03 Use of estimates:

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the financial statements are:

Valuation of financial instruments
Useful life of property, plant and equipment
Actuarial gain/loss on employee benefit plans
Provisions

2.04 Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.05 Standards issued but not yet effective:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has receivedhe amendment will come into force from April 1, 2018. or paid advance consideration in a foreign currency.

The Company has evaluated the effect of this on the financial statements and there is no impact as such due to this Ind AS.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.
The standard permits two possible methods of transition:
• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

3 First-time adoption of Ind AS

Ind AS 101 requires that all Ind AS effective for the first Ind AS financial statements, be applied consistently and retrospectively for all fiscal years presented. However, this standard have some exception and exemption to this general requirement in specific cases. The application of relevant exception and exemption are

3.01 Exceptions to retrospective application of other Ind AS applicable to the company

3.1.1 Estimates: An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates considered in accordance with Previous GAAP.

3.1.2 Ind AS 109-Financial Instruments (Classification and measurement financial assets): Classification and measurement shall be made on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured the financial assets on the date of transition.

3.2 Exemptions from retrospective application of Ind AS

3.2.1 **Ind AS 16 Property, Plant and Equipment:** If there is no change in the functional currency an entity may elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of property, plant and equipment by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost.
The Company has elected to continue with the carrying amount for all of its property, plant & equipment measured as per Previous GAAP and use that as its deemed cost as at the date of transition.

3.3.2 **Ind AS 27 Separate financial statements:** An entity is required to account for its investments in subsidiaries, joint ventures and associates either:
(a) at cost; or
(b) in accordance with Ind AS 109. Such cost shall be cost as per Ind AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to Ind AS or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiaries at deemed cost being carrying value as previous GAAP.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.01 Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.02 Property, plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment cost include expenditure that is directly attributable to the acquisition of the asset. The cost of shelf-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Cost:
The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied with these will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized and charged to the statement of Profit and Loss. All other costs are recognized in the Statement of Profit and Loss as and when incurred.

Depreciation:
Depreciation on property, plant & equipments is calculated on written down value method over the useful life as specified by Schedule II to the Companies Act, 2013.

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

Derecognition of assets:
An item of property plant & equipment and any significant part initially recognized is derecognized upon

disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognized.
Upon first time adoption of IND-AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount at its deemed cost on the date of transition to IND-AS i.e. 1st April, 2016.

4.03 Intangible assets:
Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Subsequent expenditure:
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

Amortisation of intangible assets with finite useful lives:

Asset class	Useful life as per management	Amortisation method
Computer software	6 years	Amortisation on straight line basis

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Derecognition of assets
An item of intangible asset and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognized.

4.04 Revenue recognition:

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

4.05 Other income:
Other income is comprised primarily of interest income. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

4.06 Inventories:

i) Inventories are valued at weighted average method or net realizable value whichever is lower. Obsolete, defective and unserviceable stocks are provided for, whenever required.

ii) Work in process includes material cost, cost of conversion and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.07 Retirement benefits:

i) **Defined contribution plan (Provident Fund):**

In accordance with Indian Law, eligible employees receive benefits from Provident Fund, which is defined contribution plan. Both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Group has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognized as an employee benefit expense in the Statement of Profit and Loss when incurred.

ii) **Defined benefit plans:**

a) **Gratuity**

In accordance with applicable Indian Law, the Group provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumsump payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Group. The Group's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Group's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Group recognizes all remeasurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

b) **Short term benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

c) **Leave encashment**

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided at the end of year and charged to the statement of profit and loss.

4.08 **Accounting for taxes on income:**

i) **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period in the countries where the Company operates and generates taxable income.

Current income taxes are recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions where appropriate.

ii) **Deferred income tax**

Deferred income tax assets and liabilities are recognized for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

Deferred tax assets and liabilities 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 balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax loss can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

iii) The Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

4.09 Lease:

Lease in which a substantial portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. payments and receipts are recognised to the Statement of Profit and Loss on a straight line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for lessors expected inflationary costs increases, in which case the same are recognised as an expense in line with the contractual terms.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

4.10 Impairment of assets:

Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of profit or loss.

Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset. unless the asset does not generate cash inflows that are largely independent of those from other assets.
If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

4.11 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

A contingent assets, where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in Ind AS 10.

4.12 Financial instruments

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

Amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

Fair value through profit and loss (FVTPL): A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognized as 'other income' in the Statement of Profit and Loss.

Fair value through other comprehensive income (FVOCI): Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Trade Receivables and Loans:
Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt Instruments:
Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(a) **Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(b) **Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(c) **Measured at fair value through profit or loss:** A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity Instruments:
All investments in equity instruments classified under financial assets are initially measured at fair value , the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Derecognition:
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Financial Liabilities:
Initial recognition and measurement
Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. All financial liabilities are recognised initially at fair value and in the case of borrowings trade payables and other financial liabilities, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade payables and other financial liabilities.

Subsequent measurement:
Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

(a) Borrowings: Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(b) Trade and Other Payables :
These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(c) Financial Guarantee Obligations:
The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of subsidiaries, joint ventures or associates are provided for no compensation, the fair values as on the date of transition are accounted for as contributions and recognised as part of the cost of the equity investment.

Derecognition:
A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

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

Offsetting Financial Instruments:
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

4.13 Investments in subsidiaries:
Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in the Statement of Profit and Loss.

Upon first-time adoption of IND AS, the Company has elected to measure its investments in subsidiaries at the previous GAAP carrying amount as its deemed cost on the date of transition to IND AS i.e. 1 April, 2016.

4.14 Cash and cash equivalents:
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

4.15 Earnings per share:
Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

4.16 Segment Reporting:
Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

Segment Policies:
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

KAISER CORPORATION LIMITED

Notes to the financial statements for the year ended 31 March 2018

5 Property, plant and equipment **(Amount in Lakhs)**

Particulars	Plant and machinery	Office equipments	Furniture and fixtures	Computers	Total
Gross Block					
As at 1 April 2016 (Deemed cost-refer note 5.1)	0.12	-	0.04	0.10	0.26
Additions during the year	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2017	**0.12**	**-**	**0.04**	**0.10**	**0.26**
Additions during the year	-	0.30	-	0.05	0.35
Disposals	-	-	-	-	-
As at 31 March 2018	**0.12**	**0.30**	**0.04**	**0.15**	**0.61**
Accumulated Depreciation:					
As at 1 April 2016	-	-	-	-	-
Depreciation charge for the year	0.02	-	0.03	0.06	0.11
Disposals	-	-	-	-	-
As at 31 March 2017	**0.02**	**-**	**0.03**	**0.06**	**0.11**
Depreciation charge for the year	0.02	0.04	0.01	0.05	0.12
Disposals	-	-	-	-	-
As at 31 March 2018	**0.04**	**0.04**	**0.04**	**0.11**	**0.23**
Net book value					
As at 1 April 2016	0.12	-	0.04	0.10	0.26
As at 31 March 2017	0.10	-	0.01	0.04	0.15
As at 31 March 2018	0.08	0.26	-	0.04	0.38

Note:

5.01 The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 31 March 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1 April 2016. The gross block value and accumlated depreciation as on 1 April 2016 as per previous GAAP is as follows:

(Amount in Lakhs)

Particulars	Plant and machinery	Office equipments	Furniture and fixtures	Computers	Total
Gross block	0.24	-	0.19	2.08	2.51
Accumulated depreciation	0.12	-	0.15	1.98	2.25
Net Block	**0.12**	**-**	**0.04**	**0.10**	**0.26**

6 Intangible assets **(Amount in Lakhs)**

Particulars	Software	Total
Gross Block		
As at 1 April 2016	-	-
Additions during the year	0.32	0.32
Disposals / Transfers	-	-
As at 31 March 2017	**0.32**	**0.32**
Additions during the year	-	-
Disposals / Transfers	-	-
As at 31 March 2018	**0.32**	**0.32**
Accumulated Amortisation:		
As at 1 April 2016	-	-
Amortisation charge for the year	0.03	0.03
Disposals / Transfers	-	-
As at 31 March 2017	**0.03**	**0.03**
Amortisation charge for the year	0.05	0.05
Disposals / Transfers	-	-
As at 31 March 2018	**0.08**	**0.08**
Net book value		
As at 1 April 2016	-	-
As at 31 March 2017	0.29	0.29
As at 31 March 2018	0.24	0.24

KAISER CORPORATION LIMITED

Notes to the financial statements for the year ended 31 March 2018

7 Investment in subsidiaries

(Amount in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment In Subsidiaries			
Unquoted			
i. Equity instruments at costs			
Nil (as at 31 March 2017: Nil, as at 1 April 2016: 5,110) Equity shares of Rs. 10 each fully paid up in Powertel Engineering Private Limited.	-	-	0.51
1,708,000 (as at 31 March 2017: 1,708,000, as at 1 April 2016: 1,590,000) Equity shares of Rs. 10 each fully paid up in Xicon International Limited	446.49	444.49	400.25
	446.49	**444.49**	**400.76**

8 Other financial assets

Non-current

(Amount in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	1.50	-	0.44
	1.50	**-**	**0.44**

Current

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	-	0.48	-
Other receivables	0.05	-	-
	0.05	**0.48**	**-**

9 Deferred tax assets (net)

Non-current

(Amount in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax assets:			
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis.			
Impact of provision for retirement benefits	0.15	0.38	0.67
Impact of unabsorbed business loss and unabsorbed depreciation	-	-	21.86
Total deferred tax assets [A]	**0.15**	**0.38**	**22.53**
Mat credit entitlement [B]	5.49	5.14	2.01
	5.49	5.14	2.01
Deferred tax liabilities:			
Property, Plant and Equipments: Impact of difference between tax depriciation and depriciation/amortization charged for the financial reporting.	0.05	0.08	0.08
Deferred tax liabilities [C]	**0.05**	**0.08**	**0.08**
Deferred tax assets (net) [A+B-C]	**5.59**	**5.44**	**24.46**

KAISER CORPORATION LIMITED

Notes to the financial statements for the year ended 31 March 2018

10 Other non-current assets **(Amount in Lakhs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid expenses	0.18	0.06	0.02
	0.18	**0.06**	**0.02**

11 Inventories **(Amount in Lakhs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials	0.02	0.54	0.27
Work-in-progress	1.27	1.78	2.34
	1.29	**2.32**	**2.61**

12 Trade receivables **(Amount in Lakhs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good	23.68	20.57	18.54
	23.68	**20.57**	**18.54**

Trade Receivables stated above include debts due by:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Due from Powertel Engineering Private Limited, a subsidiary company	-	-	2.70
Total	**-**	**-**	**2.70**

13 Cash and cash equivalents **(Amount in Lakhs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents			
Cash on hand	0.48	0.60	2.16
Balances with banks			
In current accounts	5.75	7.13	5.76
	6.23	**7.73**	**7.92**

14 Loans

Current **(Amount in Lakhs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Loan to related parties	-	-	23.65
	-	**-**	**23.65**

Loans and advances to related party include :

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Due from Powertel Engineering Private Limited, a subsidiary company	-	-	23.65
Total	**-**	**-**	**23.65**

15 Other current assets **(Amount in Lakhs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance for expenses	-	-	0.01
Prepaid expenses	0.32	0.22	0.18
	0.32	**0.22**	**0.19**

KAISER CORPORATION LIMITED

Notes to the financial statements for the year ended 31 March 2018

16 Equity share capital

(Amount in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorized:			
100,000,000 (31 March 2017: 100,000,000 and 1 April 2016: 100,000,000) Equity Shares of Rs. 1 each	1,000	1,000	1,000
	1,000	**1,000**	**1,000**
Issued, subscribed and paid-up:			
52,621,020 (31 March 2017: 52,621,020 and 1 April 2016: 52,621,020) Equity Shares of Rs. 1 each	526.21	526.21	526.21
Less: Calls in arrears (from others)	(0.19)	(0.19)	(0.19)
	526.02	**526.02**	**526.02**

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Re 1 per share. Each holder of equity shares is entitled to one vote per share. The final dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting year:

(Amount in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
Equity Shares				
Shares outstanding at the beginning of the year	52,621,020	52,621,020	52,621,020	52,621,020
Less: Shares bought back during the year	-	-	-	-
Add : Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	-	-	-	-
	52,621,020	**52,621,020**	**52,621,020**	**52,621,020**

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

Shares in the Company held by each shareholders holding more than 5 percent shares:

Name of Shareholder	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	% of holding	Number	% of holding	Number	% of holding
PASK Holdings Limited	7,865,000	14.95%	7,865,000	14.95%	7,865,000	14.95%
Amav Enterprises Limited	7,700,000	14.63%	7,700,000	14.63%	7,700,000	14.63%
PRIT Hi-Power Private Limited	5,871,000	11.16%	5,871,000	11.16%	5,871,000	11.16%
H L Rochat Engg Private Limited	5,353,530	10.17%	5,353,530	10.17%	5,353,530	10.17%
Lorance Investments and Trading Limited	12,982,000	24.67%	12,982,000	24.67%	12,982,000	24.67%
Xicon Power Products Limited	4,739,774	9.01%	4,737,910	9.00%	4,732,710	8.99%

17 Other equity

(Amount in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital reserve	14.03	14.03	14.03
Securities premium	7.01	7.01	7.01
Retained earning	(70.82)	(74.12)	(75.67)
Other comprehensive income			
Remeasurements of the net defined benefit Plans	(0.24)	(0.13)	-
Total	**(50.02)**	**(53.21)**	**(54.63)**

KAISER CORPORATION LIMITED
Notes to the financial statements for the year ended 31 March 2018

18 Provisions **(Amount in Lakhs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits			
Gratuity (refer note 35)	0.25	1.24	1.94
	0.25	**1.24**	**1.94**

19 Trade payables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total outstanding dues of micro and small enterprises	-	-	-
Others	7.00	5.97	4.66
	7.00	**5.97**	**4.66**

Note:
The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been furnished.

20 Other financial liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fair value of financial guarantee obligation	2.00	1.65	1.65
Employee dues payable (bonus provision)	0.99	0.90	0.84
	2.99	**2.55**	**2.49**

21 Other current liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Statutory dues payable	1.45	0.93	0.80
	1.45	**0.93**	**0.80**

22 Provisions

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits (Unfunded)			
Leave encashment	0.32	0.23	0.22
	0.32	**0.23**	**0.22**

23 Revenue from operations **(Amount in Lakhs)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of goods	57.90	48.05
Other operating income		
- Consultancy income	8.00	8.00
	65.90	**56.05**

KAISER CORPORATION LIMITED

Notes to the financial statements for the year ended 31 March 2018

24 Other income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest on fixed deposits	0.06	0.06
Interest on security deposits	0.11	0.04
Gain on de-recognition of financial assets	0.02	-
Excess Provision written back	0.44	-
Financial guarantee income	1.65	1.65
Interest on income tax refund	-	0.02
Profit on sale of investments in subsidiary company	-	22.48
	2.28	**24.25**

25 Cost of materials consumed

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventory at the beginning of the year	0.54	0.27
Add: Purchases	12.73	12.93
	13.27	**13.20**
Less: Inventory at the end of the year	0.02	0.54
	13.25	**12.66**

26 Changes in inventory of work-in-progress

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Changes in inventories of work-in-progress		
Closing stock	1.27	1.78
Less: Opening stock	(1.78)	(2.34)
	0.51	**0.56**

27 Employee benefit expenses

(Amount in Lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, bonus and allowances	22.17	19.90
Contribution to provident and other funds	1.73	1.48
Staff welfare expenses	0.50	0.48
	24.40	**21.86**

28 Depreciation and amortisation expense:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation expense	0.12	0.11
Amortisation expense	0.05	0.03
	0.17	**0.14**

KAISER CORPORATION LIMITED

Notes to the financial statements for the year ended 31 March 2018

29 Other expenses

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Printing charges	6.50	3.97
Other manufacturing expenses	0.79	1.47
Cartage	0.83	0.87
Repairs and maintainence - others	0.47	0.45
Rent	3.66	1.84
Electricity	0.29	-
Rates and taxes	4.33	2.88
Communication expenses	0.26	0.23
Travelling and conveyance	0.99	0.55
Printing and stationery	0.27	0.28
Advertising and sales promotion	0.35	0.34
Legal and professional fees	1.99	1.98
Payment to auditor		
- Audit fee	3.75	3.21
- Taxation matters	0.43	0.49
- Others	0.41	0.47
Miscellaneous expenses	0.59	1.00
	25.91	**20.03**

30 Other comprehensive income

(Amount in Lakhs)

Particulars	Other Item of comprehensive income
For the year ended 31 March 2018	
Items that will not be reclassified to profit or loss	
(i) Remeasurement gain/(loss) on defined benefits plan	(0.15)
Less: Income tax relating to items that will not be reclassified to profit or loss	0.04
Total	(0.11)
For the year ended 31 March 2017	
Items that will not be reclassified to profit or loss	
(i) Remeasurement gain/(loss) on defined benefits plan	(0.17)
Less: Income tax relating to items that will not be reclassified to profit or loss	0.04
Total	**(0.13)**

31 Contingent liabilities
The Company does not have any contingent liability as at 31 March 2018 (31 March 2017: Nil and 1 April 2016: Nil).

32 Capital Commitment
The Company does not have any capital commitement as at 31 March 2018 (31 March 2017: Nil and 1 April 2016: Nil).

33 Related party disclosures

i) Related party relationships:

Subsidiary Company	Powertel Engineering Private Limited (up to 3 October 2016) Xicon International Limited
Key management personnel	Mr.Bhushanlal Arora (Managing Director)

Notes:
The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year.

KAISER CORPORATION LIMITED

Notes to the financial statements for the year ended 31 March 2018

ii) Transactions with related parties:

Disclosure in relation to transaction with related parties

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Consultancy services		
Powertel Engineering Private Limited	-	4.00
	-	**4.00**
Director's remuneration		
Bhushanlal Arora	18.39	15.11
	18.39	**15.11**
Sale of investments		
Powertel Engineering Private Limited	-	23.00
	-	**23.00**
Short term loans received back during the year		
Powertel Engineering Private Limited	-	23.65
	-	**23.65**

iii) Balances with related parties:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment in Equity Shares			
Xicon International Limited	446.49	444.49	400.25
Powertel Engineering Private Limited.	-	-	0.51
	446.49	**444.49**	**400.76**
Trade receivables			
Powertel Engineering Private Limited	-	-	2.70
	-	**-**	**2.70**
Unsecured loan receivable as at year end			
Powertel Engineering Private Limited	-	-	23.65
	-	**-**	**23.65**

34 Segmental Information

The Board of Directors of the Company collectively has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes. The Company operates in a single business and geographical segment viz. Printing of labels, packaging materials, Magazines and articles of stationery within India. Accordingly, no separate disclosures for primary business and secondary geographical segment are required.

35 Retirement benefits

a) **(a) Defined contribution plan**

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(Amount in Lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Contribution to provident fund and other defined contribution funds	1.73	1.48

b) The Company has a defined benefit plan namely Gratuity for all its employees in the form of Group Gratuity -cum- Life Assurance Scheme. The liability for the defined benefit is determined on the basis of valuation made under the scheme at year end, which is calculated using the projected unit credit method.

The retirement benefit obligations recognized in the balance sheet represents the present value of the defined benefit obligations as adjusted for unrecognized past service cost.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31 March 2018.

KAISER CORPORATION LIMITED

Notes to the financial statements for the year ended 31 March 2018

(Amount in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Change in present value of obligation		
Present value of obligation as at 1 April	8.79	7.84
Interest cost	0.52	0.72
Service cost	0.08	0.06
Benefits paid	-	-
Actuarial (gain)/loss on obligation	0.15	0.17
Present value of obligation as at 31 March	**9.54**	**8.79**
Reconciliation of plan assets		
Plan assets as at beginning of the year	7.55	5.90
Expected return on plan assets	0.62	0.54
Contributions during the year	1.12	1.11
Benefits paid	-	-
Actuarial (gains)/ losses	-	-
Plan assets as at the end of the year	**9.29**	**7.55**
Amount recognised in the Balance Sheet		
Present value of obligation, as at 31 March	9.54	8.79
Fair value of plan assets as at 31 March	9.29	7.55
Liabilities recognised in the Balance Sheet	**0.25**	**1.24**
Expense recognized in the statement of profit and loss		
Current service cost	0.08	0.06
Interest cost	0.52	0.72
Expected return on plan assets	(0.62)	(0.54)
Total expense charged to profit and loss account [before tax] [A]	**(0.02)**	**0.24**
Amount recorded in Other Comprehensive Income (OCI)		
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	0.15	0.17
Amount recognised in OCI [before tax] [B]	**0.15**	**0.17**
Closing amount recognised in OCI and profit and loss [A+B]	**0.13**	**0.41**

Net liability is bifurcated as follows :		
Current	-	-
Non-current	0.25	1.24
Net liability	**0.25**	**1.24**

Actuarial assumptions used in calculations of gratuity is as under:

Particulars	As at 31 March 2018	As at 31 March 2017
Discount rate	8%	8%
Expected return on plan assets	7.65%	8.25%
Expected rate of salary increase	5%	4%
Attriation rate	1-3% depending on age	1-3% depending on age
Mortality	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate

KAISER CORPORATION LIMITED

Notes to the financial statements for the year ended 31 March 2018

36 Financial instruments- Fair values and risk management

The carrying value and fair value of financial instruments by categories as of March 31, 2018 are as follows :

(Amount in Lakhs)

Particulars	At amortised costs	At fair value through profit and loss	At fair value through OCI	Total carrying value	Total fair value
Assets					
Trade receivables	23.68	-	-	23.68	23.68
Cash and cash equivalents	6.23	-	-	6.23	6.23
Current Loans	-	-	-	-	-
Other non-current financial assets	1.50	-	-	1.50	1.50
Other current financial assets	0.05	-	-	0.05	0.05
	31.46	-	-	**31.46**	**31.46**
Liabilities					
Trade payables	7.00	-	-	7.00	7.00
Other current financial liabilities	2.99	-	-	2.99	2.99
	9.99	-	-	**9.99**	**9.99**

The carrying value and fair value of financial instruments by categories as of March 31, 2017 are as follows :

(Amount in Lakhs)

Particulars	At amortised costs	At fair value through profit and loss	At fair value through OCI	Total carrying value	Total fair value
Assets					
Trade receivables	20.57	-	-	20.57	20.57
Cash and cash equivalents	7.73	-	-	7.73	7.73
Current Loans	-	-	-	-	-
Other non-current financial assets	-	-	-	-	-
Other current financial assets	0.48	-	-	0.48	0.48
	28.78	-	-	**28.78**	**28.78**
Liabilities					
Trade payables	5.97	-	-	5.97	5.97
Other current financial liabilities	2.55	-	-	2.55	2.55
	8.52	-	-	**8.52**	**8.52**

The carrying value and fair value of financial instruments by categories as of March 31, 2016 are as follows :

(Amount in Lakhs)

Particulars	At amortised costs	At fair value through profit and loss	At fair value through OCI	Total carrying value	Total fair value
Assets					
Trade receivables	18.54	-	-	18.54	18.54
Cash and cash equivalents	7.92	-	-	7.92	7.92
Current Loans	23.65	-	-	23.65	23.65
Other non-current financial assets	0.44	-	-	0.44	0.44
Other current financial assets	-	-	-	-	-
	50.55	-	-	**50.55**	**50.55**
Liabilities					
Trade payables	4.66	-	-	4.66	4.66
Other current financial liabilities	2.49	-	-	2.49	2.49
	7.15	-	-	**7.15**	**7.15**

The fair values of the financial assets and financial liabilities is 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.

KAISER CORPORATION LIMITED

Notes to the financial statements for the year ended 31 March 2018

37 Leases

Disclosure as required under Ind AS 17 “Accounting for Leases” is given below:

The Company has entered into one lease agreement for the use of office premises for a period of 3 years in the nature of operating lease.

The future minimum lease payments as per the lease agreements are as follows:

(Amount in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Not later than one year	3.68	1.05	1.80
Later than one year and not later than five years	4.00	-	1.05

The amount of minimum lease payments with respect to the above lease recognized in the statement of profit and loss for the year is Rs. 3.66 Lakhs (previous year Rs. 1.84 Lakhs).

38 Earnings Per Share

(Amount in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Net profit after tax available for equity share holders for basic and diluted earning per share	3.30	1.55
Weighted average number of equity shares outstanding during the year for basic and diluted earnings per share	52,621,020	52,621,020
Face value of share (Rs.)	1.00	1.00
Basic and diluted earnings per share (Rs.)	0.006	0.003

39 a) Provision for current tax for the year has been made under Minimum Alternate Tax (MAT) as per provisions of Section 115JB of the Income-Tax Act, 1961.

b) MAT credit entitlement of Rs 0.35 Lakhs; (31 March 2017: Rs. 3.13 Lakhs) is recognized during the year being the difference of the tax paid under sub-section (1) of Section 115 JB and the amount of tax payable on the total income computed in accordance with the Income Tax Act, 1961.

40 Risk management

Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk and interest rate. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is credit risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk also arises from cash and cash equivalent, deposit with banks, loans, credit exposure to clients including outstanding accounts receivable and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counter parties, taking into account their financial position, past experience and other factors.

Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model:

(Amount in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial year			
Trade receivables	23.68	20.57	18.54
Cash and cash equivalents	6.23	7.73	7.92
Current loans	-	-	23.65
Other non-current financial assets	1.50	-	0.44
Other current financial assets	0.05	0.48	-
At end of the year	**31.46**	**28.78**	**50.55**

KAISER CORPORATION LIMITED

Notes to the financial statements for the year ended 31 March 2018

Revenue / Trade receivable

The Company limits its exposure to credit risk from trade receivable by establishing a maximum payment period of 60-90 days. Also, Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Company have provided details of revenue from revenue from single largest customer, revenue from top 5 customer and ageing of trade receivable below:

a) The following table gives details in respect of revenues generated from top customer and top 5 customers:

(Amount in Lakhs)

Particulars	For the financial year	
	2017-18	2016-17
Revenue from top customer	49.32	38.89
Revenue from top 5 customers	57.63	47.86

One and two customer accounted for more than 10% of the revenue for the year ended 31 March 2018 and 31 March 2017 respectively.

b) The following table gives below are the ageing analysis of the trade receivable from the date of invoice falls due:

Ageing analysis of the age of trade receivable amounts that are not due as at the end of reporting year:

(Amount in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Within credit days	5.08	16.50	5.02

Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

(Amount in Lakhs)

Particulars	Balance as at		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Less than 60 days	1.96	0.70	6.06
61 to 180 days	9.38	3.37	7.46
Over 180 days	7.26	-	-
Total at the end of the period	**18.60**	**4.07**	**13.52**

The Company has used a practical expedient for computing expected credit loss allowance for trade receivables taking into account historical credit loss experience. As per management assessment, no provision was made for expected credit loss as there is no history of significant default and significant delay in collection.

Balances with Banks and other financial assets:

For banks only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

(Amount in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents	6.23	7.73	7.92
Trade and other receivables	23.68	20.57	18.54
Inventory	1.29	2.32	2.61
Other financial assets	0.05	0.48	-
Total	**31.25**	**31.10**	**29.07**

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Notes to the financial statements for the year ended 31 March 2018

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018, 31 March 2017 and 1 April 2016.

(Amount in Lakhs)

Particulars	Less than 1 year	1-5 years	5 years and more	Total
As at 31 March 2018				
Trade and other payables	7.00	-	-	7.00
Other financial liabilities	2.99	-	-	2.99
Total:	**9.99**	**-**	**-**	**9.99**
As at 31 March 2017				
Trade and other payables	5.97	-	-	5.97
Other financial liabilities	2.55	-	-	2.55
Total:	**8.52**	**-**	**-**	**8.52**
As at 31 March 2016				
Trade and other payables	4.66	-	-	4.66
Other financial liabilities	2.49	-	-	2.49
Total:	**7.15**	**-**	**-**	**7.15**

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any variable interest rate financial instruments and hence the Company does not have interest risk at the balance sheet date (31 March 2017: Nil and 1 April 2016: Nil)

Capital management

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted capital comprises all components of equity.

(Amount in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade payables	7.00	5.97	4.66
Other financial liabilities	2.99	2.55	2.49
Less cash and cash equivalents*	6.23	7.73	7.15
Net debts [A]	**3.76**	**0.79**	**-**
Equity share capital	526.02	526.02	526.02
Other equity	(50.02)	(53.21)	(54.63)
Total Equity [B]	**476.00**	**472.81**	**471.39**
Capital and Net Debt [C= A+B]	**479.76**	**473.60**	**471.39**
Debt-to-adjusted capital ratio (%) [A/C]	**0.78**	**0.17**	**-**

* Restricted to maximum of sum of trade payables and other financial liabilities total value.

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Notes to the financial statements for the year ended 31 March 2018

41 Income tax

Income tax expense in the statement of profit and loss consists of:

(Amount in Lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current income tax	(0.40)	-
Current income tax (Mat)	(0.35)	(4.43)
Mat credit entitlement	0.35	3.13
Deferred tax	(0.24)	(22.20)
Income tax expense recognised in the statement of profit or loss [A]	**(0.64)**	**(23.50)**
Income tax recognised in other comprehensive income	0.04	0.04
Income tax expense recognised in the other comprehesive income [B]	0.04	0.04
Total [A+B]	**(0.60)**	**(23.46)**

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(Amount in Lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	3.94	25.05
Enacted income tax rate in India	25.75%	29.00%
Computed expected tax expense	(1.00)	(7.00)
Effect of:		
Expenses not deductible for tax purpose	0.40	-
Deferred tax on business loss written off due to its expiry	-	(18.30)
Expenses not debited but deductible for tax purpose	-	0.21
Item taxable at lower rate in income tax	-	1.63
Income tax expense recognised in the statement of profit and loss	**(0.60)**	**(23.46)**

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Notes to the financial statements for the year ended 31 March 2018

42 The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated February 16,2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS would replace the existing Indian GAAP prescribed under section 133 of The Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules,2014. For Kaiser Corporation Ltd., Ind AS would be applicable for the accounting period beginning April 1, 2017, with a transition date of April 1, 2016.

A Reconciliations of balance sheet as previously reported under IGAAP to Ind AS at 1 April 2016 and 31 March 2017.

(Amount in Lakhs)

Particulars	Notes	Opening Balance Sheet as at 1 April 2016			Balance Sheet as at 31 March 2017		
		Indian - GAAP	Effects of transition to Ind AS	Ind - AS	Indian - GAAP	Effects of transition to Ind AS	Ind - AS
II. ASSETS							
Non-current assets							
Property, plant and equipment		0.26	-	0.26	0.15	-	0.15
Other intangible assets		-	-	-	0.29	-	0.29
Investments in subsidiaries	D	399.12	1.64	400.76	441.19	3.30	444.49
Financial assets							
(i) Loans	A & B	5.16	(4.72)	0.44	7.18	(7.18)	-
Deferred tax assets	B	22.45	2.01	24.46	0.30	5.14	5.44
Income tax assets (Net)	B	-	2.65	2.65	-	1.98	1.98
Other non-current assets	A & B	-	0.02	0.02	-	0.06	0.06
Total non-current Assets		**426.99**	**1.60**	**428.59**	**449.11**	**3.30**	**452.41**
Current assets							
Inventories		2.61	-	2.61	2.32	-	2.32
Financial assets							
(ii) Trade receivables		18.54	-	18.54	20.57	-	20.57
(iii) Cash and cash equivalents		7.92	-	7.92	7.73	-	7.73
(vi) Loans	B	23.80	(0.15)	23.65	-	-	-
(v) Other financial assets	B	-	-	-	0.70	(0.22)	0.48
Other current assets	A & B	-	0.18	0.19	-	0.22	0.22
Total current assets		**52.87**	**0.03**	**52.91**	**31.32**	**-**	**31.32**
TOTAL ASSETS		**479.86**	**1.63**	**481.50**	**480.43**	**3.30**	**483.73**
I. EQUITY AND LIABILITIES							
Equity							
a) Equity share capital		526.02	-	526.02	526.02	-	526.02
b) Other equity	A	(54.62)	(0.01)	(54.63)	(54.86)	1.65	(53.21)
Total equity (A)		**471.40**	**(0.01)**	**471.39**	**471.16**	**1.65**	**472.81**
Non-current liabilities							
Provisions		1.94	-	1.94	1.24	-	1.24
Total non-current liabilities		**1.94**	**-**	**1.94**	**1.24**	**-**	**1.24**
Current liabilities							
Financial Liabilities							
(ii) Trade payables		4.66	-	4.66	5.97	-	5.97
(iii) Other financial liabilities	B & D	-	2.48	2.49	-	2.55	2.55
Provisions		0.22	-	0.22	0.23	-	0.23
Other current liabilities	B	1.64	(0.84)	0.80	1.83	(0.90)	0.93
Total current liabilities		**6.52**	**1.64**	**8.17**	**8.03**	**1.65**	**9.68**
Total liabilities (C)		**8.46**	**1.64**	**10.11**	**9.27**	**1.65**	**10.92**
TOTAL EQUITY AND LIABILITIES (A+B+C)		**479.86**	**1.63**	**481.50**	**480.43**	**3.30**	**483.73**

KAISER CORPORATION LIMITED

Notes to the financial statements for the year ended 31 March 2018

B Reconciliation of equity as at 1 April 2016 and 31 March 2017 **(Amount in Lakhs)**

Particulars	Notes	As at 1 April 2016	As at 31 March 2017
As reported under IGAAP			
Equity capital		526.02	526.02
Reserves		(54.62)	(54.86)
		471.40	**471.16**
Adjustments:			
Re-measurement of security deposit given*	A	(0.01)	0.00
Remeasurement of financial guarantee obligations	D	-	1.65
Total equity as per Ind AS		**471.39**	**472.81**

Comprises of:

Equity share capital	526.02	526.02
Other equity	(54.63)	(53.21)
	471.39	**472.81**

* Rs. 263 for the year ended March 31, 2017.

C Reconciliations statement of Profit and Loss as previously reported under IGAAP to Ind AS

(Amount in Lakhs)

Particulars	Notes	Year ended 31 March 2017		
		Indian -GAAP	Effects of transition to Ind AS	Ind - AS
Revenues				
Revenue from operations		56.05	-	56.05
Other income	A & D	22.56	1.69	24.25
Total revenue		78.61	1.69	80.30
Expenses				
Cost of material consumed		12.66	-	12.66
Changes in inventories of finished goods and stock-in -trade		0.56	-	0.56
Employee benefits expense	C	22.04	(0.18)	21.86
Depreciation and amortization expense		0.14	-	0.14
Other expenses	A	19.99	0.04	20.03
Total expenses		55.39	(0.14)	55.25
Profit before tax		**23.22**	**1.83**	**25.05**
Tax expense:				
- Current tax		-	-	-
- Current tax (Mat)	B	(4.43)	-	(4.43)
- MAT credit entitilement	B	3.13	-	3.13
- Deferred tax charge	B	(22.16)	(0.04)	(22.20)
Tax expense		**(23.46)**	**(0.04)**	**(23.50)**
Profit for the period (A)		**(0.24)**	**1.79**	**1.55**
Other comprehensive income / (Loss)				
Items that will not be reclassified to profit or loss				-
Remeasurement gain/(loss) on defined benefits plan	C	-	(0.17)	(0.17)
Income tax relating to items that will not be reclassified to profit or loss	B	-	0.04	0.04
Other comprehensive income for the period, net of tax (B)		**-**	**(0.13)**	**(0.13)**
Total Comprehensive Income for the period (A+ B)		**(0.24)**	**1.66**	**1.42**

KAISER CORPORATION LIMITED

Notes to the financial statements for the year ended 31 March 2018

Reconciliation of cash flow for the year ended **(Amount in Lakhs)**

Particulars	For the year ended 31-March-2017 (Indian GAAP)	For the year ended 31-March-2017 (Ind AS)	Change
Cash flow from operating activities	19.63	19.61	0.02
Cash flow from financing activities	(19.83)	(19.80)	(0.03)
Cash flow from investing activities	-	-	-

Explanations for reconcialations of Balance Sheet and equity as previously reported under Indian GAAP to Ind AS

A Security deposit
Security deposit had been recorded at the transaction price in previous GAAP. However, the same has been carried at amortised cost under Ind AS. Day1 difference between fair value and transaction price of security deposit has been recognised in the statement of profit and loss on straight line basis over the lease term in accordance with Ind AS.

B Classification as per Ind AS
Under previous GAAP, the Company was not required to present its assets and liabilities bifurcating between financial assets / financial liabilities and non financial assets / non financial liabilities. Under Ind AS, the Company is required to present its assets and liabilities bifurcating between financial assets / financial liabilities and non financial assets / non financial liabilities . Accordingly, the Company has classified and presented its assets and liabilities.

C Actuarial gain/loss on retirement benefits
As per Ind AS 19 Employee Benefits, actuarial gains and losses are recognised in other comprehensive income and not reclassified to profit and loss in subsequent period.

D Remeasurement of Financial guarantee
Under previous GAAP, the Company is not required to record fair value of financial guaratee given to the bank on behalf of subsidiaries. Under Ind AS, financial guarantees are accounted as financial liabilities and measured initially at fair value.

43 As the Company is yet to appoint a Company Secretary and Chief Financial Officer under Section 203 of the Companies Act, 2013, read with Rule 8 and 8A of The Companies (Appointment and Remuneration of Management Personnel) Rule, 2014, the accounts have not been signed by them.

44 **Events after the end of the reporting date**
No subsequent event has been observed which may required an adjustment to the statement of financial position.

Signatures to Notes 1 to 44

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W-100010

Ramesh Gupta
Partner
Membership No.102306

Place : Mumbai
Date : 29 May 2018

For and on behalf of the Board of Directors of
Kaiser Corporation Limited

Bhushanlal Arora
Managing Director
DIN No. 00416032

Anagha Korde
Director
DIN No. 02562003

Place : Mumbai
Date : 29 May 2018