SPS PROCESSORS PVT. LTD.
BALANCE SHEET AS AT 31ST MARCH, 2021

PARTICULARS	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non - Current Assets :			
Property, Plant and Equipment	2	311,417,565	280,541,093
Capital work-in-progress		99,608,532	60,451,424
Intangible Assets	3	4,400	6,400
Financial Assets			
Other Financial Assets	4	9,216,621	5,888,421
Non-current tax Assets	5	1,001,131	1,216,073
Deferred Tax Assets (Net)	6	51,110,806	40,420,291
Other Non-current assets	7	29,469,224	-
Total Non - Current Assets		**501,828,279**	**388,523,702**
Current Assets			
Inventories	8	106,761,139	120,380,046
Financial Assets			
Trade Receivables	9	784,199,888	709,930,275
Cash and Cash Equivalents	10	6,947,998	7,094,128
Loans	11	2,707,984	2,714,454
Others Financial Assets	12	544,942	542,489
Other Current Assets	13	82,476,243	46,001,005
Total Current Assets		**983,638,194**	**886,662,397**
Total Assets		**1,485,466,473**	**1,275,186,099**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	16,233,400	16,233,400
Other Equity	15	(17,173,318)	13,044,794
Total Equity		**(939,918)**	**29,278,194**
Non-Current Liabilities			
Fiancial Liabilities			
Borrowings	16	1,161,369,662	971,384,968
Provisions	17	1,729,300	1,388,479
Total Non-Current Liabilities		**1,163,098,962**	**972,773,447**
Current Liabilities			
Fiancial Liabilities			
Trade Payables	18	143,944,895	259,731,115
Other Financial Liabilities	19	5,359,908	1,738,546
Other Current Liabilities	20	173,925,870	11,660,438
Provisions	21	76,756	4,359
Total Current Liabilities		**323,307,429**	**273,134,458**
Total Liabilities		**1,486,406,391**	**1,245,907,905**
Total Equity and Liabilities		**1,485,466,473**	**1,275,186,099**
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As Per Our Report of even date attached

For Satish Jain & Co.
Chartered Accountants
Firm Registration No. 011970N

16/6/21

(Satish Jain)
Proprietor
Membership No. 91006
Delhi
June 16,2021

SATISH JAIN & CO. DELHI Chartered Accountants

For and on behalf of the Board of Directors

(Vijayant Mittal)
Director
Din:00317588

Avinash Jain

(Avinash Jain)
Director
Din:00349685

Delhi
June 16,2021

SPS PROCESSORS PVT. LTD.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount (In Rs.)

PARTICULARS	Notes	Year 31st March, 2021	Year 31st March, 2020
INCOME			
Revenue from Operations	22	982,818,977	1,071,573,156
Other Income	23	10,359,353	2,720,569
Total Revenue		**993,178,330**	**1,074,293,725**
EXPENSES			
Cost of materials consumed	24	593,249,314	719,863,020
Changes in Inventories of Finished Goods and Stock in Process	25	55,074,324	(12,450,258)
Employee Benefits Expenses	26	51,557,460	58,872,810
Finance Costs	27	86,357,652	75,793,096
Depreciation and Amortisation expense	28	14,336,996	13,926,023
Other Expenses	29	233,816,615	251,855,004
Total Expenses		**1,034,392,361**	**1,107,859,695**
Profit / (Loss) Before Taxes		(41,214,031)	(33,565,970)
Tax Expenses			
Current Tax		-	
Deferred Tax		(10,769,920)	(8,755,740)
Taxes of earlier years			-
		(10,769,920)	(8,755,740)
Less : MAT Credit Entitlement		-	-
		(10,769,920)	(8,755,740)
Profit / (Loss) for the Year		**(30,444,111)**	**(24,810,230)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		305,404	440,228
Income tax relating to iteams that will not be reclassified to profit and loss account		(79,405)	(114,459)
Total Comprehensive Income for the period		**(30,218,112)**	**(24,484,461)**
Earnings Per Share	36		
Basic and diluted		(187.54)	(152.83)
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As Per Our Report of even date attached

For Satish Jain & Co.
Chartered Accountants
Firm Registration No. 011970N

16/6/21

(Satish Jain)
Proprietor
Membership No. 91006

SATISH JAIN & CO. DELHI Chartered Accountants

Delhi
June 16,2021

For and on behalf of the Board of Directors

(Vijayant Mittal)
Director
Din:00317588

(Avinash Jain)
Director
Din:00349685

Delhi
June 16,2021

Statement of Changes in Equity for the year ended 31st March, 2021

A) Equity Share Capital	As at 31st March, 2021	As at 31st March,2020
Balance at the commencement of the year	16,233,400	16,233,400
Balance at the end of the year	**16,233,400**	**16,233,400**

B) Other Equity	Securities Premium	Retained Earnings
Balance as at 1st April, 2020	29,544,840	(16,500,046)
Additions during the year:		
Profit for the year	-	(30,444,111)
Remeasurement benefit of defined benefit plans	-	225,999
Total Comprehensive Income for the Year 2020-21	-	**(30,218,112)**
Balance as at 31st March, 2021	**29,544,840**	**(46,718,158)**

As Per Our Report of even date attached

For Satish Jain & Co.
Chartered Accountants
Firm Registration No. 011970N

16/6/21

(Satish Jain)
Proprietor
Membership No. 91006
Delhi
June 16,2021

SATISH JAIN & CO. DELHI Chartered Accountants

For and on behalf of the Board of Directors

(Vijayant Mittal)
Director
Din:00317588
Delhi
June 16,2021

(Avinash Jain)
Director
Din:00349685

SPS PROCESSORS PVT. LTD.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

Amount (In Rs.)

PARTICULARS	Year 2020-21	Year 2019-20
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after exceptional items	(41,214,031)	(33,565,970)
Adjustment for		
Depreciation and Amortisation	14,336,996	13,926,023
Allowance for doubtful debts (net of bad debts)	-	1,647,098
Finance Cost	86,357,652	75,793,096
Profit Sale of Assets (Net)	(350,000)	-
Interest/Dividend/Rent received	(9,288,752)	(2,659,954)
Operating Profit before Working Capital Changes	49,841,865	55,140,293
Adjustment for :		
(Increase) in Trade Receivables	(74,269,613)	(577,788,896)
(Increase) / Decrease in Inventories	13,618,907	(19,203,958)
(Increase) / Decrease in Other Receivables	(44,925,199)	53,915,186
Increase in Trade Payables	47,197,834	100,762,035
Cash generated from Operations	(8,536,206)	(387,175,340)
Direct Taxes Paid/(Refund Received) (Net)	(214,942)	(630,105)
Net Cash from Operating Activities (A)	**(8,321,264)**	**(386,545,235)**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment including Capital Work in Progress and capital advances	(104,725,179)	(22,333,279)
Sale proceeds of Property, Plant and Equipment	350,000	-
(Increase) / Decrease in Loans to Employees	6,470	(311,047)
Inter corporate Loan Received back	-	3,436,013
Interest/Dividend/Rent received	9,288,752	2,659,954
Net Cash generated by / (used in) Investing Activities (B)	**(95,079,957)**	**(16,548,359)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings - Non-Current	(371,951)	(2,127,140)
Loan received from Related Party - Non-Current	971,746,675	757,452,800
Loan paid to Related Party - Non-Current	(781,761,981)	(122,442,107)
Loan paid to Related Party - Current	-	(154,160,000)
Finance Cost paid	(86,357,652)	(75,793,096)
Net Cash generated by / used in Financing Activities (C)	**103,255,091**	**402,930,457**
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	**(146,130)**	**(163,137)**
Cash & Cash Equivalents at the beginning of the period	7,094,128	7,257,265
Cash & Cash Equivalents at the end of the period	**6,947,998**	**7,094,128**

As Per Our Report of even date attached

Significant Accounting Policies as per Note 1

For Satish Jain & Co.
Chartered Accountants
Firm Registration No. 011970N

16/6/21

(Satish Jain)
Proprietor
Membership No. 91006
Delhi
June 16,2021

SATISH JAIN & CO. DELHI Chartered Accountants

For and on behalf of the Board of Directors

(Vijayant Mittal)
Director
Din:00317588
Delhi
June 16,2021

Avinash Jain

(Avinash Jain)
Director
Din:00349685

COMPANY BACKGROUND

SPS Processors Pvt. Ltd. (the 'Company') is a private limited company incorporated in India. The registered office of the Company is located at P-100, Lane No. 06, Shankar Nagar, Delhi 110051.

1 Significant Accounting Policies:

1.1 Statement of compliance:

The financial statements have been prepared in accordance with Ind ASs notified under the Companies act, 2013 read together with the rules notified thereunder.

1.2 Basis of Preparation of Financial Statements:

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.

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Continued......

1.3 Revenue Recognition:

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods & service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts if any.

b) 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 Leasing:

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

The Company as lessee

Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.
In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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SPS PROCESSORS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Amount (In Rs.)

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
28. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on Tangible Assets	14,334,996	13,924,018
Amortisation on Intangible Assets	2,000	2,005
Total	**14,336,996**	**13,926,023**

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
29. OTHER EXPENSES		
Manufacturing Expenses		
Stores Consumption	2,686,499	1,882,672
Power & Fuel Consumption	152,771,487	167,405,821
Repairs to		
Machinery	22,519,352	23,813,477
Building	40,815	1,126,660
Others	525,080	193,551
Pollution Control Expenses	3,604,006	972,701
Rent & Taxes	235,500	618,325
Labour Charges	17,812,155	19,611,471
Insurance Expenses	1,127,315	1,217,142
Travelling & Vehicle Expense	850,842	1,452,456
Payment to Auditors	300,000	300,000
Legal & Professional Fees	738,060	705,520
Packing Material Consumption	3,675,642	4,358,498
Freight & Handling Charges	8,108,673	9,711,480
Advertisement & Business Promotion Expenses	1,148,963	666,903
Sales Commission	7,742,162	7,505,558
Allowance for Doubtful Debts	-	1,647,098
Other Expenses	9,930,064	8,665,671
Total	**233,816,615**	**251,855,004**

29.1 Payment to Auditors include (excluding GST/service tax) as below:

Amount (In Rs.)

	Year ended 31st March, 2021	Year ended 31st March, 2020
I) As Statutory Auditors	150,000	150,000
II) Taxation and other matters	150,000	150,000

For SPS PROCESSORS PVT. LTD.

Director

For SPS PROCESSORS PVT. LTD.

Arinash Jain

Director

SATISH JAIN & CO. DELHI Chartered Accountants

Additional Disclosure requirement:

30. Financial Instruments

Financial Instruments Classification by Category

	As at 31st March, 2021	As at 31st March, 2020
Loans	2,707,984	2,714,454
Trade Receivables	784,199,888	709,930,275
Cash and Cash Equivalents	6,947,998	7,094,128
Other Financial Assets	9,761,563	6,430,910
Total Financial Assets	**803,617,433**	**726,169,767**

	As at 31st March, 2021	As at 31st March, 2020
Borrowings	1,161,369,662	971,384,968
Trade Payables	143,944,895	259,731,115
Other Financial Liabilities	5,359,908	1,738,546
Total Financial Liabilities	**1,310,674,465**	**1,232,854,629**

Since all the financial Assets and Financial liabilities are measured at amortised cost, disclosure of fair value hierarchy is not being made

Fair value of financial assets measured at amortised cost

	31.03.21		31.03.20	
	Fair value	Carrying amount	Fair value	Carrying amount
Loans	2,707,984	2,707,984	2,714,454	2,714,454
Trade Receivables	784,199,888	784,199,888	709,930,275	709,930,275
Cash and Cash Equivalents	6,947,998	6,947,998	7,094,128	7,094,128
Other Financial Assets	9,761,563	9,761,563	6,430,910	6,430,910
Borrowings	1,161,369,662	1,161,369,662	971,384,968	971,384,968
Trade Payables	143,944,895	143,944,895	259,731,115	259,731,115
Other Financial Liabilities	5,359,908	5,359,908	1,738,546	1,738,546

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

SATISH JAIN & CO. DELHI Chartered Accountants

31. Financial Risk Management

The Company's activities expose it to liquidity risk and credit risk.

Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations

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

No. of Days for which amount is due	<=60 Days	61-120 Days	121-180 Days	181-360 Days	>360 Days
% of Provision	-	0.25%	0.50%	0.75%	1%

Reconciliation of loss allowance provision

Reconciliation of Loss Allowance	2020-21	2019-20
Opening Balance	2,831,725	1,184,627
Loss allowance (Reversal) measured at ECL	(720,545)	1,647,098
Closing Balance (As reported in Note 9)	**2,111,180**	**2,831,725**

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 at all times.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. And monitor balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

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DELHI
Chartered Accountants

Maturities of financial liabilities as on 31.03.2021

Financial Liabilities	Within 12 months	After 12 months
Non-Derivative		
Borrowings (including current maturity of long term borrowings)	0	1,161,369,662
Trade Payables	143,944,895	0
Other Financial Liability	5,359,908	0

Maturities of financial liabilities as on 31.03.2020

Financial Liabilities	Within 12 months	After 12 months
Non-Derivative		
Borrowings (including current maturity of long term borrowings)	371,951	971,384,968
Trade Payables	259,731,115	0
Other Financial Liability	1,366,595	0

Market Risk

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2021 and 31 March 2020, 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 Rs.)

Particulars	31.03.2021	31.03.2020
Fixed Rate Borrowings	1,161,369,662	971,384,968

32. 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.

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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, including non-controlling interests).

Particulars	31 March, 2021	31 March, 2020
Net Debt	1,154,421,664	964,662,791
Total Equity	(939,918)	29,278,974
Debt Equity Ratio	**(1,228.22)**	**32.95**

33. Income Taxes

Particulars	31.03.2021	31.03.2020
Current Tax	0	0
Deferred Tax	(10,769,920)	(8,755,740)
Total Income Tax Expenses (excluding deferred tax benefit on OCI)	(10,769,920)	(8,755,740)

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

Particulars	31/03/2021
Profit Before Tax	(41,214,031)
Statutory Tax Rate (%)	26.00%
Tax at statutory tax rate	(10,715,648)
Tax effect on non-deductible expenses	(54,272)
Tax Expense	**(10,769,920)**
Effective Tax Rate	26.13%

For the year ended on March 31, 2021

Particulars	As at April 1,2020	Credit/(charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	As at March 31 2021
Deferred tax assets/(liabilities)				
Property, Plant and Equipment	25,212,754	(19,049,497)	0	6,163,257
Unabsorbed Depreciation & c/f loss	9,686,645	29,377,980	0	39,064,625
Expense claimed for tax purpose on payment basis	202,283	26,544	(79,405)	149,422
Expenditure covered by section 43B of Income Tax Act, 1961	175,344	294,231	0	469,575
Allowance for Doubtful Debts	428,245	120,662	0	548,907
Unused Tax Credits	4,715,020	0	0	47,15,020
Total	**40,420,291**	**10,769,920**	**(79,405)**	**51,110,806**

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34. Segment information

The Company's primary segment is identified as business 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 as per IND - AS 108. The Company is principally engaged in a single business segment viz., "Dyes Intermediates" which is also the major revenue generating product.

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below

1. Information about Geographical Areas

	2020-21			2019-20		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue (Net)	982,818,977	0	982,818,977	1,071,573,156	0	1,071,573,156
Carrying Cost of Segment Assets	1,485,466,473	0	1,485,466,473	1,275,186,099	0	1,275,186,099

2. Information about Major Customers

3 (Three) customers (P.Y.: 2 (Two)) individually accounted for 10% or more revenue during financial year ending on March 31, 2021 and March 31, 2020

Particulars	2020-21	2019-20
Revenue from Top Customer	35%	75%
Revenue from Top 5 consumers	99%	99%

35. Related Party Transactions: Give a List of related parties with relationship

(a) List of Related Parties

I. Key Management Personnel (KMP)

1. Shri Vijayant Mittal — Director
2. Shri Rakesh Patel — Director
3. Shri Avinash Jain — Director
4. Shri Dhwanik Patel — Director

II. Holding Company (HC)

(i) Bodal Chemicals. Ltd.

SATISH JAIN & CO. DELHI Chartered Accountants

III. **Enterprise under significant influence of key management personnel (Enterprise)**

(i) SPS Lotus Textiles Pvt. Ltd.
(ii) Bodal Chemicals Trading Pvt. Ltd.
(iii) Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.
(iv) Bodal Bangla Limited
(v) Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd
(vi) Senpa Dis Ticaret Anonim Sirketi (100% Subsidiary of Sener Boya)

b) Transactions with related parties

Related party disclosure	Relationship	2020-2021	2019-2020
Remuneration			
Shri Rakesh Patel	KMP	5,500,000	0
Shri Dhwanik Patel	KMP	5,500,000	0
Shri Vijayant Mittal	KMP	4,500,000	11,742,000
Shri Avinash Jain	KMP	4,500,000	11,742,000
Loan Received			
Bodal Chemicals Ltd.	HC	971,746,675	757,452,800
Loan Repaid			
Bodal Chemicals Ltd.	HC	781,761,981	122,442,107
Shri Rakesh Patel	KMP	0	154,160,000
Sales of Materials			
Bodal Chemicals Ltd.	HC	0	104,233,769
Interest Expense			
Bodal Chemicals Ltd.	HC	86,335,930	73,968,770
Purchase of Materials			
Bodal Chemicals Ltd.	HC	21,814,393	20,835,504
Related Party Balances as at the year end.			
Amount Payable			
As Unsecured Borrowings			
Bodal Chemicals Ltd.	HC	1,161,369,662	971,384,968
As Trade Payables			
Bodal Chemicals Ltd.	HC	0	73,031,885
Shri Rakesh Patel	KMP	344,800	0
Shri Dhwanik Patel	KMP	349,800	0
Shri Vijayant Mittal	KMP	272,400	0
Shri Avinash Jain	KMP	372,400	0

Notes:-

(i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

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36. Earnings per Share

	2020-21	2019-20
Net Profit/(Loss) after Tax as per statement of Profit and Loss (Rs.)	(30,444,111)	(24,810,230)
Weighted average number of Equity Shares	162,334	162,334
Basic and Diluted EPS (Rs.)	(187.54)	(152.83)
Nominal Value per Share (Rs.)	10	10

37. Employee Benefits

Defined Contribution Plan

Particulars	2020-21	2019-20
Employer's contribution to Provident Fund	1,108,095	866,046
Employer's contribution to E.S.I.C.	429,303	397,697

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 scheme is funded with Life Insurance Corporation of India in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31st March 2020
Balance sheet disclosures

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

Particulars	31.03.2021	31.03.2020
Liability at the beginning of the period	13,92,838	10,55,053
Interest Costs	95,260	80,078
Current Service Costs	623,362	697,935
Past Service Costs	Nil	Nil
Benefits paid	Nil	Nil
Actuarial (Gain)/Loss on obligations due to change in		
- Demography	Nil	(506)
- Financials	18,044	(550,614)
- Experience	(323,448)	110,892
Liability at the end of the period	1,806,056	13,92,838

SATISH JAIN & CO. DELHI Chartered Accountants

(b) Movements in the fair value of plan assets

Particulars	31.03.2021	31.03.2020
Fair value of plan assets at the beginning of the period	Nil	Nil
Interest Income	Nil	Nil
Expected return on plan assets	Nil	Nil
Contributions	Nil	Nil
Transfers		
Benefits paid	Nil	Nil
Fair value of plan assets at the end of the period	Nil	Nil

(c) Net liability disclosed above relates to

Particulars	31.03.2021	31.03.2020
Fair value of plan assets at the end of the period	Nil	Nil
Liability as at the end of the period	1,806,056	13,92,838
Net (Liability)/Asset	1,806,056	13,92,838
Non-Current Portion	1,729,300	13,88,479
Current Portion	76,756	4,359

(d) Balance Sheet Reconciliation

Particulars	31.03.2021	31.03.2020
Opening Net liability	1,392,838	1,055,053
-Expenses recognised in the statement of consolidated P&L	718,622	778,013
-Expenses recognised in the consolidated OCI	(305,404)	(440,228)
-Employer's Contribution	Nil	Nil
Amount recognised in the Balance Sheet	1,806,056	13,92,838

Profit & Loss Disclosures

(a) Net interest Cost for Current period

Particulars	31.03.2021	31.03.2020
Interest Cost	95,260	80,078
Interest Income	Nil	Nil
Net interest Cost/(Income)	95,260	80,078

(b) Expenses recognised in the consolidated profit & loss

Particulars	31.03.2021	31.03.2020
Net Interest Cost	95,260	80,078
Current Service Cost	623,362	697,935
Past Service Cost	Nil	Nil
Expenses recognised in the consolidated profit & loss	718,622	7,78,013

(c) Expenses recognised in the consolidated Other Comprehensive Income

Particulars	31.03.2021	31.03.2020
Remeasurement		
Expected return on plan assets	Nil	Nil
Actuarial (Gain) or Loss	(305,404)	(440,228)
Net Income / Expenses recognised inOCI	(305,404)	(440,228)

SATISH JAIN & CO. DELHI Chartered Accountants

Sensitivity Analysis

Particulars	31.03.2021	31.03.2020
Projected Benefit obligation on current assumptions		
Data effect of change in Rate of -Discounting by +0.5% -Salary Increase by +0.5% -Employee Turnover by +10%	 1,718,817 1,911,346 1,815,321	 13,23,147 14,68,797 13,93,661
Data effect of change in Rate of -Discounting by -0.5% -Salary Increase by -0.5% -Employee Turnover by +10%	 1,901,054 1,727,380 1,793,901	 14,68,878 13,21,878 13,89,626

Significant Actuarial Assumptions

Particulars	31.03.2021	31.03.2020
Discount Rate	6.75%	6.85%
Salary Escalation	4.00%	4.00%
Attrition Rate	2-10%	2-10%

38. Contingent Liabilities and Commitment

There is no contingent liability existing as on 31st March, 2021 and 31st March, 2020.

39. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2020-21, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at 31st March,2020	As at 31st March,2019
a. Principal and interest amount remaining unpaid (Rs.)	1,439,251	-
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	-	-
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	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

SATISH JAIN & CO. DELHI Chartered Accountants

40. Corporate Social Responsibility Expenses

Provisions of Section 135 of the Companies Act, 2013, requires every Company having a net worth of Rupees 500 crore or more, or turnover of Rupees 1000 crore or more or a net profit of rupees 5 crore or more during the immediately preceding financial year shall spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years on Corporate Social Responsibility (CSR).

The Company doesn't fall in any of the above criteria, hence provisions of Section 135 of the Companies Act, 2013, is not applicable to the Company.

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

For Satish Jain & Co.
Chartered Accountants

SATISH JAIN & CO. DELHI Chartered Accountants

16/6/21

(Satish Jain)
Proprietor
Membership No. 91006

Delhi
June 16, 2021

For and on behalf of the Board of Directors

(Vijayant Mittal)
Director
Din: 00317588

Avinash Jain

(Avinash Jain)
Director
Din: 00349685

Delhi
June 16, 2021

Continued......

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 business 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.

SATISH JAIN & CO. * Chartered Accountants * DELHI

Continued......

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 Use of Estimates

The preparation of the financial statements in conformity with Ind-AS requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialize.

SATISH JAIN & CO.
DELHI
Chartered Accountants

SPS PROCESSORS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

2. PROPERTY, PLANT AND EQUIPMENT

	Land	Factory Building	Plant & Machinery	Furniture & Fixture	Office Equipments	Vehicles	Total
Gross Block							
Balance as at 31st March, 2019	33,790,441	43,551,431	235,254,776	274,079	356,485	13,480,666	**326,707,878**
Additions	-	1,843,793	14,280,891	-	217,988	681,752	**17,024,424**
Disposals	-	-	-	-	-	-	-
Balance as at 31st March, 2020	33,790,441	45,395,224	249,535,667	274,079	574,473	14,162,418	**343,732,302**
Additions	-	-	44,210,562	30,010	891,977	78,919	**45,211,468**
Disposals	-	-	-	-	-	2,054,611	**2,054,611**
Balance as at 31st March, 2021	33,790,441	45,395,224	293,746,229	304,089	1,466,450	12,186,726	**386,889,159**
	Land	Factory Building	Plant & Machinery	Furniture & Fixture	Office Equipments	Vehicles	Total
Accumulated Depreciation							
Balance as at 31st March, 2019	-	4,806,158	39,813,324	40,723	228,219	4,378,767	**49,267,191**
Additions	-	1,375,967	11,366,052	12,804	115,571	1,053,624	**13,924,018**
Disposals	-	-	-	-	-	-	-
Balance as at 31st March, 2020	-	6,182,125	51,179,376	53,527	343,790	5,432,391	**63,191,209**
Additions	-	1,393,010	11,572,763	14,316	198,557	1,156,350	**14,334,996**
Disposals	-	-	-	-	-	2,054,611	**2,054,611**
Balance as at 31st March, 2021	-	7,575,135	62,752,139	67,843	542,347	4,534,130	**75,471,594**
Net Block							
Balance as at 31st March, 2020	33,790,441	39,213,099	198,356,291	220,552	230,683	8,730,027	**280,541,093**
Balance as at 31st March, 2021	33,790,441	37,820,089	230,994,090	236,246	924,103	7,652,596	**311,417,565**

SATISH JAIN & CO. ★ DELHI ★ Chartered Accountants

For SPS PROCESSORS PVT. LTD.

Director

For SPS PROCESSORS PVT. LTD.

Arinesh Jain

Director

SPS PROCESSORS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

3. INTANGIBLE ASSETS

	Software
Balance as at 31st March, 2019	10,000
Additions	-
Disposals	-
Balance as at 31st March, 2020	10,000
Additions	-
Disposals	-
Balance as at 31st March, 2021	10,000
Accumulated Amortisation	
Balance as at 31st March, 2019	1,595
Additions	2,005
Disposals	-
Balance as at 31st March, 2020	3,600
Additions	2,000
Disposals	-
Balance as at 31st March, 2021	5,600
Net Block	
Balance as at 31st March, 2019	8,405
Balance as at 31st March, 2020	6,400
Balance as at 31st March, 2021	4,400

SATISH JAIN & CO. DELHI Chartered Accountants

For SPS PROCESSORS PVT. LTD.

Director

For SPS PROCESSORS PVT. LTD.

Arinch Jain

Director

SPS PROCESSORS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
4. OTHER FINANCIAL ASSETS (NON-CURRENT)		
Security Deposits	8,289,933	5,061,733
Deposits with bank	926,688	826,688
Total	**9,216,621**	**5,888,421**

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
5. NON-CURRENT TAX ASSETS		
Non-Current Tax Assets	1,001,131	1,216,073
Total	**1,001,131**	**1,216,073**

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
6. DEFERRED TAX ASSETS		
Deferred Tax Assets		
Property, Plant and Equipment	6,162,113	25,212,754
Unused Tax Credits	4,715,020	4,715,020
Allowance for Doubtful Debts	548,907	428,245
Unabsorbed Depreciation & c/f loss	39,065,769	9,686,645
Expense claimed for tax purpose on payment basis	149,422	202,283
Expenditure covered by section 43B of Income Tax Act, 1961	469,575	175,344
Total	**51,110,806**	**40,420,291**

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
7. OTHER NON-CURRENT ASSETS		
(Unsecured and Considered Good)		
Capital Advances	24,349,916	-
Balance With Statutory Authorities	5,119,308	-
Total	**29,469,224**	-

For SPS PROCESSORS PVT. LTD.

Director

For SPS PROCESSORS PVT. LTD.

Director

SATISH JAIN & CO. DELHI Chartered Accountants

SPS PROCESSORS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
8. INVENTORIES		
(Valued at the lower of cost or net realisable value)		
a) Raw Materials	60,949,419	25,019,079
Raw Materials in Transit	1,361,445	-
	62,310,864	**25,019,079**
b) Finished Goods	3,982,623	56,925,384
	3,982,623	**56,925,384**
c) Stock In Process	28,037,547	30,169,110
	28,037,547	**30,169,110**
c) Packing Materials	1,742,993	669,168
	1,742,993	**669,168**
d) Stock of Fuel	7,512,112	4,447,305
	7,512,112	**4,447,305**
g) Stores and Spares	3,175,000	3,150,000
	3,175,000	**3,150,000**
Total	**106,761,139**	**120,380,046**

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
9. TRADE RECEIVABLES		
Trade receivables		
Unsecured & Considered Good	784,199,888	709,930,275
Unsecured & Considered Doubtful	2,111,180	2,831,725
Less : Allowance for Doubtful Debts (refer note 31)	(2,111,180)	(2,831,725)
Total	**784,199,888**	**709,930,275**

For SPS PROCESSORS PVT. LTD.

Director

For SPS PROCESSORS PVT. LTD.

Director

SATISH JAIN & CO. ★ Chartered Accountants ★ DELHI

SPS PROCESSORS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
10. CASH AND CASH EQUIVALENTS		
Cash & Cash Equivalents		
Cash on hand	1,652,220	1,057,583
Balance with Banks in current accounts	5,295,778	6,036,545
	6,947,998	7,094,128

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
11. LOANS (CURRENT)		
(Unsecured & considered good)		
Loans to Employees	362,930	369,400
Inter-Corporate Loans	2,345,054	2,345,054
Total	2,707,984	2,714,454

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
12. OTHER FINANCIAL ASSETS (CURRENT)		
Other Receivables	544,942	542,489
Total	544,942	542,489

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
13. OTHER CURRENT ASSETS		
Advance to Suppliers of Goods	72,048,808	30,037,808
Advance to Suppliers of Expenses	3,621,015	2,840,338
Balance with Statutory Authorities	6,491,213	12,828,701
Pre-paid Expenses	315,207	294,158
Total	82,476,243	46,001,005

For SPS PROCESSORS PVT. LTD.

Director

For SPS PROCESSORS PVT. LTD.

Director

SATISH JAIN & CO. DELHI Chartered Accountants

SPS PROCESSORS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
14. EQUITY SHARE CAPITAL		
Authorised Share Capital		
1,65,000 (P.Y. 1,65,000) Equity Shares of Rs.100/- each	16,500,000	16,500,000
	16,500,000	**16,500,000**
Issued, Subscribed & Paid up Share Capital		
1,62,334 (P.Y. : 1,62,334) Equity Shares of Rs. 2/- each	16,233,400	16,233,400
Total	**16,233,400**	**16,233,400**

14.1 Reconciliation of the number of Shares.

	As at 31st March, 2021	As at 31st March, 2020
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	162,334	162,334
Closing balance	**162,334**	**162,334**

14.2 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of Shareholder	As at 31st March, 2021		As at 31st March, 2020	
Equity Shares :	Shares	%	Shares	%
Bodal Chemicals Ltd.	113634	70.00%	113634	70.00%
Vijayant Mittal	28550	17.59%	28550	17.59%
Sonica Jain	20140	12.41%	20140	12.41%

For SPS PROCESSORS PVT. LTD.

Director

For SPS PROCESSORS PVT. LTD.

Director

SATISH JAIN & CO. DELHI Chartered Accountants

SPS PROCESSORS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
15. OTHER EQUITY		
Securities Premium Account		
At the commencement and end of the year (Premium on issue of Equity Shares)	29,544,840	29,544,840
Surplus / (Deficit) in the Statement of Profit and Loss		
At the commencement of the year	(16,500,046)	7,984,415
Add :Surplus / (Deficit) during the year	(30,444,111)	(24,810,230)
Remeasurements of Net Defined Benefit Plans (Net of Tax)	225,999	325,769
At the end of the year	(46,718,158)	(16,500,046)
Total	**(17,173,318)**	**13,044,794**

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
16. BORROWINGS (NON-CURRENT)		
Unsecured		
Loan From Related Party (refer Note 35)	1,161,369,662	971,384,968
Total	**1,161,369,662**	**971,384,968**
16.1 Current Maturities of Long Term Borrowings (Refer Note 19)	-	371,951

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
17. PROVISIONS (NON-CURRENT)		
Provision for Employee Benefits (refer Note 37)	1,729,300	1,388,479
Total	**1,729,300**	**1,388,479**

For SPS PROCESSORS PVT. LTD.

Director

For SPS PROCESSORS PVT. LTD.

Director

SATISH JAIN & CO. DELHI Chartered Accountants

SPS PROCESSORS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
18. TRADE PAYABLES		
Due to Micro and Small Enterprises	1,439,251	-
Due to Others	142,505,644	259,731,115
Total	**143,944,895**	**259,731,115**
18.1 Trade Payables include Rs. 1,339,400/- (P.Y. : 73,031,885/-) to related parties (refer note 35)		

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
19. OTHER FINANCIAL LIABILITIES (CURRENT)		
Current Maturities of Long Term Debt	-	371,951
Creditors for Capital Goods	5,359,908	1,366,595
Total	**5,359,908**	**1,738,546**

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
20. OTHER CURRENT LIABILITIES		
Advance Received from Customers	165,240,958	768,571
Statutory Liabilities	8,684,912	10,891,867
Total	**173,925,870**	**11,660,438**
20.1 Statutory liabilities represent amounts payable towards GST, Professional Tax, P.F., ESIC and TDS etc.		

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
21. PROVISIONS (CURRENT)		
Provision for Employee Benefits (refer Note 37)	76,756	4,359
Total	**76,756**	**4,359**

For SPS PROCESSORS PVT. LTD.

Director

For SPS PROCESSORS PVT. LTD.

Director

SATISH JAIN & CO. DELHI Chartered Accountants

SPS PROCESSORS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Amount (In Rs.)

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
22. REVENUE FROM OPERATIONS		
Sale of products (including excise duty)	981,008,390	1,070,140,156
Other Operating Income		
Scrap Sales	1,810,587	1,433,000
Revenue From Operations	**982,818,977**	**1,071,573,156**

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
23. OTHER INCOME		
Interest Income		
On Others	9,288,752	2,659,954
Profit on sales of Assets	350,000	-
Write back of allowance for doubtful debts	720,545	-
Other Income	56	60,615
Total	**10,359,353**	**2,720,569**

Amount (In Rs.)

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
24. COST OF MATERIALS CONSUMED		
Opening Stock	25,019,079	20,191,623
Add: Purchases during the year	630,541,099	724,690,476
	655,560,178	**744,882,099**
Less : Closing Stock	62,310,864	25,019,079
Total	**593,249,314**	**719,863,020**

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
25. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS & STOCK IN TRADE		
Inventories at the end of the year		
Finished Goods	3,982,623	56,925,384
Stock In Process	28,037,547	30,169,110
Total (A)	**32,020,170**	**87,094,494**
Inventories at the beginning of the year		
Finished Goods	56,925,384	22,119,943
Stock In Process	30,169,110	52,524,293
Total (B)	**87,094,494**	**74,644,236**
Changes in Inventories	**55,074,324**	**(12,450,258)**
Changes In Inventories Of Finished Goods, Stock In Process & Stock in Trade	**55,074,324**	**(12,450,258)**

For SPS PROCESSORS PVT. LTD.

Director

For SPS PROCESSORS PVT. LTD.

Director

SATISH JAIN & CO. ★ DELHI ★ Chartered Accountants

SPS PROCESSORS PVT. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
26. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	48,140,543	54,541,669
Contribution to Provident & Other Funds (Note 37)	1,826,717	1,644,059
Staff Welfare Expenses	1,590,200	2,687,082
Total	**51,557,460**	**58,872,810**

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
27. FINANCE COSTS		
Bank Interest	3,859	127,720
Other Interest Expenses	86,335,930	75,654,187
Other Borrowing Cost	17,863	11,189
Total	**86,357,652**	**75,793,096**

For SPS PROCESSORS PVT. LTD.

Director

For SPS PROCESSORS PVT. LTD.

Director

SATISH JAIN & CO. DELHI Chartered Accountants

Continued......

1.5 Employee Benefits:

Retirement benefit costs and termination benefits

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. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

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.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits

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 short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related 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.

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1.6 Taxation:

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

Current tax

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.

Deferred tax

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

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 end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

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1.7 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 straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	10 years
Office Equipments	3-5 years

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

Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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1.8 Impairment of tangible 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.

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.

1.9 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. The comparison of cost and net realizable value is made on an item-by item basis.

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.

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1.10 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.

1.11 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 recognizí immediately in profit or loss.

1.12 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

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• 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

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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 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 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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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.

1.13 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.

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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.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.
Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.

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.

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