SPS PROCESSORS PVT. LTD.

BALANCE SHEET AS AT 31ST MARCH,2019

PARTICULARS	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non - Current Assets :			
Property, Plant and Equipment	2	277,440,687	251,402,145
Capital work-in-progress		55,261,724	42,245,574
Intangible Assets	3	8,405	Nil
Financial Assets			
Other Financial Assets	4	5,908,421	5,908,421
Non-current tax Assets	5	6,561,198	2,381,309
Deferred Tax Assets (Net)	6	27,063,990	33,174,802
Other Non-current assets	7	Nil	1,200,000
Total Non - Current Assets		**372,244,425**	**336,312,251**
Current Assets			
Inventories	8	101,176,088	13,075,754
Financial Assets			
Trade Receivables	9	133,788,477	134,426,782
Cash and Cash Equivalents	10	7,257,265	3,389,704
Loans	11	5,839,420	65,787,148
Others Financial Assets	12	542,489	542,489
Other Current Assets	13	99,896,191	16,868,993
Total Current Assets		**348,499,930**	**234,090,870**
Total Assets		**720,744,355**	**570,403,121**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	16,233,400	16,233,400
Other Equity	15	37,529,255	21,113,400
Total Equity		**53,762,655**	**37,346,800**
Non-Current Liabilities			
Fiancial Liabilities			
Borrowings	16	336,746,226	113,666,133
Provisions	17	1,052,270	494,703
Total Non-Current Liabilities		**337,798,496**	**114,160,836**
Current Liabilities			
Fiancial Liabilities			
Borrowings	18	154,160,000	327,200,000
Trade Payables	19	168,433,866	57,920,827
Other Financial Liabilities	20	3,612,890	6,815,037
Other Current Liabilities	21	2,973,665	26,958,277
Provisions	22	2,783	1,344
Total Current Liabilities		**329,183,204**	**418,895,485**
Total Liabilities		**666,981,700**	**533,056,321**
Total Equity and Liabilities		**720,744,355**	**570,403,121**
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

(Satish Jain)
Proprietor
Membership No. 91006
Delhi
May 16,2019

SATISH JAIN & CO. ★ Chartered Accountants ★ DELHI

For and on behalf of the Board of Directors

(Vijayant Mittal)
Director
Din:00317588

(Avinash Jain)
Director
Din:00349685

Delhi
May 16,2019

SPS PROCESSORS PVT. LTD.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Amount (In Rs.)

PARTICULARS	Notes	YEAR 31/03/2019	YEAR 31/03/2018
INCOME			
Revenue from Operations	23	802,885,944	779,495,977
Other Income	24	6,795,559	2,124,114
Total Revenue		**809,681,503**	**781,620,091**
EXPENSES			
Cost of materials consumed	25	617,334,070	571,294,097
Changes in Inventories of Finished Goods and Stock in Process	26	(72,931,160)	2,018,308
Employee Benefits Expenses	27	28,477,833	24,856,765
Excise Duty	28	Nil	33,196,672
Finance Costs	29	18,133,957	22,051,291
Depreciation and Amortisation expense	30	14,052,393	11,957,101
Other Expenses	31	181,741,835	169,139,770
Total Expenses		**786,808,928**	**834,514,004**
Profit / (Loss) Before Taxes		22,872,575	(52,893,913)
Tax Expenses			
Current Tax		-	-
Deferred Tax		6,102,870	(32,619,425)
Taxes of earlier years		376,455	966,177
		6,479,325	(31,653,248)
Less : MAT Credit Entitlement		Nil	Nil
		6,479,325	(31,653,248)
Profit / (Loss) for the Year		**16,393,250**	**(21,240,665)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		30,547	(165,050)
Income tax relating to iteams that will not be reclassified to profit and loss account		(7,942)	42,913
Total Comprehensive Income for the period		**16,415,855**	**(21,362,802)**
Earnings Per Share	38		
Basic and diluted		100.98	(130.85)
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

SATISH JAIN & CO. DELHI Chartered Accountants

(Satish Jain)
Proprietor
Membership No. 91006

Delhi
May 16,2019

For and on behalf of the Board of Directors

(Vijayant Mittal)
Director
Din:00317588

Avinash Jain

(Avinash Jain)
Director
Din:00349685

Delhi
May 16,2019

Statement of Changes in Equity for the year ended 31st March, 2019

A) Equity Share Capital	As at 31st March, 2019	As at 31st March, 2018
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, 2018	29,544,840	(8,431,440)
Additions during the year:		
Profit for the year	-	16,393,250
Remeasurement benefit of defined benefit plans	-	22,605
Total Comprehensive Income for the Year 2018-19	-	**16,415,855**
Balance as at 31st March, 2019	**29,544,840**	**7,984,415**

As Per Our Report of even date attached

For Satish Jain & Co.

Chartered Accountants

Firm Registration No. 011970N

(Satish Jain)

Proprietor

Membership No. 91006

Delhi

May 16,2019

SATISH JAIN & CO. DELHI Chartered Accountants

For and on behalf of the Board of Directors

(Vijayant Mittal)

Director

Din:00317588

Delhi

May 16,2019

(Avinash Jain)

Director

Din:00349685

SPS PROCESSORS PVT. LTD.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

Amount (In Rs.)

PARTICULARS	Year 2018-19	Year 2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after exceptional items	22,872,575	(52,893,913)
Adjustment for		
Depreciation and Amortisation	14,052,393	11,957,101
Allowance for doubtful debts (net of bad debts)	1,066,120	(11,132)
Finance Cost	18,133,957	22,051,291
(Profit)/Loss on Sale of Assets (Net)	Nil	19,345,598
Interest/Dividend/Rent received	(6,435,399)	(175,514)
Operating Profit before Working Capital Changes	49,689,646	273,431
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(427,815)	(13,008,981)
(Increase) / Decrease in Inventories	(88,100,334)	108,531,338
(Increase) / Decrease in Other Receivables	(83,027,198)	(8,133,908)
Increase / (Decrease) in Trade Payables	87,117,980	(25,644,673)
Cash generated from Operations	(34,747,721)	62,017,207
Direct Taxes Paid (Net of Refund)	4,556,344	966,177
Net Cash from Operating Activities (A)	**(39,304,065)**	**61,051,030**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment including Capital Work in Progress and capital advances	(55,286,511)	(85,266,095)
Sale proceeds of Property, Plant and Equipment	Nil	20,327,120
(Increase) / Decrease in Loans to Employees	228,795	(287,148)
Inter corporate Loan Received back / (Given)	59,718,933	(65,500,000)
Bank Balances not considered as Cash and Cash Equivalents		
Placed	Nil	(16,134)
Matured	Nil	1,451,135
Interest/Dividend/Rent received	6,435,399	175,514
Net Cash generated by / (used in) Investing Activities (B)	**11,096,616**	**(129,115,608)**

SATISH JAIN & CO. DELHI Chartered Accountants

C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings - Non-Current	(1,958,266)	(86,098,109)
Loan received from Related Party - Non-Current	444,951,507	73,861,142
Loan paid to Related Party - Non-Current	(219,744,274)	(329,021,114)
Loan received from Related Party - Current	Nil	327,200,000
Loan paid to Related Party - Current	(173,040,000)	Nil
Finance Cost paid	(18,133,957)	(21,568,545)
Net Cash generated by / used in Financing Activities (C)	**32,075,010**	**(35,626,626)**
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	**3,867,561**	**(103,691,204)**
Cash & Cash Equivalents at the beginning of the year	3,389,704	107,080,908
Cash & Cash Equivalents at the end of the year	**7,257,265**	**3,389,704**

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

(Satish Jain)
Proprietor
Membership No. 91006
Delhi
May 16,2019

SATISH JAIN & CO. DELHI Chartered Accountants

For and on behalf of the Board of Directors

(Vijayant Mittal)
Director
Din:00317588
Delhi
May 16,2019

(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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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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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 recognizi 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:

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

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:
• The asset is held within a business model whose objective is achieved both by collecting Contractual cash flows and selling financial assets; and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Effective interest method

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

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

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

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest

SATISH JAIN & CO.
DELHI
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earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

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

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

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

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

Derecognition of financial assets

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

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

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

1.13 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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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.

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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.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2. PROPERTY, PLANT AND EQUIPMENT

	Land	Factory Building	Plant & Machinery	Furniture & Fixture	Office Equipments	Vehicles	Total
Gross Block							
Balance as at 1st April, 2017	34,651,908	31,914,418	214,071,810	133,979	76,640	3,756,281	284,605,036
Additions	2,033,817	3,442,276	31,154,305	91,500	231,009	9,724,385	46,677,292
Disposals	12,484,565	3,072,848	29,106,377	-	-	-	44,663,790
Balance as at 31st March, 2018	24,201,160	32,283,846	216,119,738	225,479	307,649	13,480,666	286,618,538
Additions	9,589,281	11,267,585	19,135,038	48,600	48,836	-	40,089,340
Disposals	-	-	-			-	-
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
Accumulated Depreciation							
Balance as at 1st April, 2017	-	3,056,625	24,296,778	20,561	13,725	862,675	28,250,364
Additions	-	968,983	10,004,555	8,152	57,770	917,641	11,957,101
Disposals	-	286,146	4,704,926	-	-	-	4,991,072
Balance as at 31st March, 2018	-	3,739,462	29,596,407	28,713	71,495	1,780,316	35,216,393
Additions	-	1,066,696	10,216,917	12,010	156,724	2,598,451	14,050,798
Disposals	-	-	-				-
Balance as at 31st March, 2019	-	4,806,158	39,813,324	40,723	228,219	4,378,767	49,267,191
Net Block							
Balance as at 31st March, 2018	24,201,160	28,544,384	186,523,331	196,766	236,154	11,700,350	251,402,145
Balance as at 31st March, 2019	33,790,441	38,745,273	195,441,452	233,356	128,266	9,101,899	277,440,687

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3. INTANGIBLE ASSETS

	Software
Balance as at 1st April, 2017	0
Additions	0
Disposals	0
Balance as at 31st March, 2018	-
Additions	10,000
Disposals	-
Balance as at 31st March, 2019	10,000
Accumulated Amortisation	
Balance as at 1st April, 2017	0
Additions	0
Disposals	0
Balance as at 31st March, 2018	-
Additions	1,595
Disposals	-
Balance as at 31st March, 2019	1,595
Net Block	
Balance as at 31st March, 2018	-
Balance as at 31st March, 2019	8,405

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
4. OTHER FINANCIAL ASSETS (NON-CURRENT)		
Security Deposits	5,081,733	5,081,733
Deposits with bank	826,688	826,688
Total	5,908,421	5,908,421

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
5. NON-CURRENT TAX ASSETS		
Non-Current Tax Assets	6,561,198	2,381,309
Total	6,561,198	2,381,309

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
6. DEFERRED TAX ASSETS		
Deferred Tax Assets		
Property, Plant and Equipment	16,433,366	13,050,732
Allowance for Doubtful Debts	308,003	30,812
Unabsorbed Depreciation & c/f loss	9,884,507	19,883,738
Expense claimed for tax purpose on payment basis	274,314	128,972
Expenditure covered by section 43B of Income Tax Act, 1961	163,800	80,548
Total	27,063,990	33,174,802

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
7. OTHER NON-CURRENT ASSETS		
(Unsecured and Considered Good)		
Capital Advances	Nil	1,200,000
Total	Nil	1,200,000

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	As at 31st March, 2019	As at 31st March,2018
8. INVENTORIES		
(Valued at the lower of cost or net realisable value)		
a) Raw Materials	20,191,623	10,431,561
	20,191,623	**10,431,561**
b) Finished Goods	22,119,943	1,713,076
	22,119,943	**1,713,076**
c) Stock In Process	52,524,293	Nil
	52,524,293	**Nil**
c) Packing Materials	910,168	691,526
	910,168	**691,526**
d) Stock of Fuel	2,630,061	239,591
	2,630,061	**239,591**
g) Stores and Spares	2,800,000	Nil
	2,800,000	**Nil**
Total	**101,176,088**	**13,075,754**

PARTICULARS	As at 31st March, 2019	As at 31st March,2018
9. TRADE RECEIVABLES		
Trade receivables		
Unsecured & Considered Good	133,788,477	134,426,782
Unsecured & Considered Doubtful	1,184,627	118,507
Less : Allowance for Doubtful Debts	(1,184,627)	(118,507)
Total	**133,788,477**	**134,426,782**
9.1 Trade Receivables include Rs. 16,083,135/- (P.Y. : NIL) to related parties. (refer note 37)		

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	As at 31st March, 2019	As at 31st March,2018
10. CASH AND CASH EQUIVALENTS		
Cash & Cash Equivalents		
Cash on hand	796,801	1,627,888
Balance with Banks in current accounts	6,460,464	1,761,816
	7,257,265	**3,389,704**

PARTICULARS	As at 31st March, 2019	As at 31st March,2018
11. LOANS (CURRENT)		
(Unsecured & considered good)		
Loans to Employees	58,353	287,148
Inter-Corporate Loans	5,781,067	65,500,000
Total	**5,839,420**	**65,787,148**

PARTICULARS	As at 31st March, 2019	As at 31st March,2018
12. OTHER FINANCIAL ASSETS (CURRENT)		
Other Receivables	542,489	542,489
Total	**542,489**	**542,489**

PARTICULARS	As at 31st March, 2019	As at 31st March,2018
13. OTHER CURRENT ASSETS		
Advance to Suppliers of Goods	90,590,365	6,601,987
Advance to Suppliers of Expenses	1,907,799	1,519,674
Balance with Statutory Authorities	7,339,821	8,571,026
Pre-paid Expenses	58,206	176,306
Total	**99,896,191**	**16,868,993**
13.1 Advance to Supplier of Goods includes Rs. 65,500,000/- (P.Y. : NIL) to related parties (Note 37)		

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
14. EQUITY SHARE CAPITAL		
Authorised Share Capital		
1,65,000 (31st March, 2017 : 1,65,000 and 1st April, 2016 : 55,000) 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 (31st March. 2017 : 1,62,334 and 1st April, 2016 : 48,700) 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, 2019	As at 31st March, 2018
	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, 2019		As at 31st March, 2018	
	Shares	%	Shares	%
Equity 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%

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
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	(8,431,440)	12,931,362
Add :Surplus / (Deficit) during the year	16,393,250	(21,240,665)
Remeasurements of Net Defined Benefit Plans (Net of Tax)	22,605	(122,137)
At the end of the year	7,984,415	(8,431,440)
Total	**37,529,255**	**21,113,400**

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
16. BORROWINGS (NON-CURRENT)		
Secured		
Term loan from Banks	371,951	2,499,091
Unsecured		
Loan From Related Party	336,374,275	111,167,042
Total	**336,746,226**	**113,666,133**
16.1 Current Maturities of Long Term Borrowings (Refer Note 20)	2,127,140	1,958,266

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
17. PROVISIONS (NON-CURRENT)		
Provision for Employee Benefits	1,052,270	494,703
Total	**1,052,270**	**494,703**

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	As at 31st March, 2019	As at 31st March,2018
18. BORROWINGS (CURRENT)		
Unsecured		
Loans From Directors	154,160,000	327,200,000
Total	154,160,000	327,200,000

PARTICULARS	As at 31st March, 2019	As at 31st March,2018
19. TRADE PAYABLES		
Due to Micro and Small Enterprises	Nil	Nil
Due to Others	168,433,866	57,920,827
Total	168,433,866	57,920,827

19.1 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 relating to amount unpaid as at year end together with interest paid payable under this Act have not been given.

19.2 Trade Payables include Rs. NIL (P.Y. : Rs. 20,586,113/-) to related parties (refer note 37)

PARTICULARS	As at 31st March, 2019	As at 31st March,2018
20. OTHER FINANCIAL LIABILITIES (CURRENT)		
Current Maturities of Long Term Debt	2,127,140	1,958,266
Creditors for Capital Goods	1,485,750	4,856,771
Total	3,612,890	6,815,037

PARTICULARS	As at 31st March, 2019	As at 31st March,2018
21. OTHER CURRENT LIABILITIES		
Advance Received from Customers	286,540	23,473,367
Statutory Liabilities	2,687,125	3,484,910
Total	2,973,665	26,958,277

21.1 Advance Received from Customers include RS. NIL (P.Y. Rs. 23,473,367/-) to related parties (refer note 37)

21.2 Statutory liabilities represent amounts payable towards GST, VAT, CST, Excise duty and TDS etc.

PARTICULARS	As at 31st March, 2019	As at 31st March,2018
22. PROVISIONS (CURRENT)		
Provision for Employee Benefits	2,783	1,344
Total	2,783	1,344

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Continued......

Amount (In Rs.)

PARTICULARS	YEAR ENDED 31-03-19	YEAR ENDED 31-03-18
23. REVENUE FROM OPERATIONS		
Sale of products (including excise duty)	801,959,496	779,107,663
Other Operating Income		
Scrap Sales	926,448	388,314
Revenue From Operations	802,885,944	779,495,977

PARTICULARS	YEAR ENDED 31-03-19	YEAR ENDED 31-03-18
24. OTHER INCOME		
Interest Income		
On Deposits	Nil	80,633
On Others	6,435,399	94,881
Prior Period Items	69,452	Nil
Write back of allowance for doubtful debts	Nil	11,132
Other Income	290,708	1,937,468
Total	6,795,559	2,124,114

Amount (In Rs.)

PARTICULARS	YEAR ENDED 31-03-19	YEAR ENDED 31-03-18
25. COST OF MATERIALS CONSUMED		
Opening Stock	10,431,561	117,875,708
Add: Purchases during the year	627,094,132	463,849,950
	637,525,693	581,725,658
Less : Closing Stock	20,191,623	10,431,561
Total	617,334,070	571,294,097

PARTICULARS	YEAR ENDED 31-03-19	YEAR ENDED 31-03-18
26. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS & STOCK IN TRADE		
Inventories at the end of the year		
Finished Goods	22,119,943	1,713,076
Stock In Process	52,524,293	Nil
Total (A)	74,644,236	1,713,076
Inventories at the beginning of the year		
Finished Goods	1,713,076	3,731,384
Total (B)	1,713,076	3,731,384
Changes in Inventories	(72,931,160)	2,018,308
Changes In Inventories Of Finished Goods, Stock In Process & Stock in Trade	(72,931,160)	2,018,308

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Continued......

PARTICULARS	YEAR ENDED 31-03-19	YEAR ENDED 31-03-18
27. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	25,758,620	23,337,048
Contribution to Provident & Other Funds (Note 39)	967,057	743,043
Staff Welfare Expenses	1,752,156	776,674
Total	28,477,833	24,856,765

PARTICULARS	YEAR ENDED 31-03-19	YEAR ENDED 31-03-18
28. EXCISE DUTY		
Excise Duty	Nil	33,196,672
Total	Nil	33,196,672

PARTICULARS	YEAR ENDED 31-03-19	YEAR ENDED 31-03-18
29. FINANCE COSTS		
Bank Interest	296,594	2,809,356
Other Interest Expenses	17,832,907	18,616,257
Amortisation of Borrowing Cost	Nil	482,746
Other Borrowing Cost	4,456	142,932
Total	18,133,957	22,051,291

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Continued......

Amount (In Rs.)

PARTICULARS	YEAR ENDED 31-03-19	YEAR ENDED 31-03-18
30. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on Tangible Assets	14,050,798	11,957,101
Amortisation on Intangible Assets	1,595	Nil
Total	14,052,393	11,957,101

PARTICULARS	YEAR ENDED 31-03-19	YEAR ENDED 31-03-18
31. OTHER EXPENSES		
Stores Consumption	763,101	3,667,782
Power & Fuel Consumption	129,133,331	89,459,762
Repairs to		
Machinery	16,502,757	7,809,993
Building	2,297,451	3,131,375
Others	204,585	1,758,399
Pollution Control Expenses	584,751	600,693
Rent & Taxes	367,250	1,915,162
Labour Charges	15,429,235	13,683,100
Insurance Expenses	283,652	874,980
Travelling & Vehicle Expense	1,145,395	1,086,001
Audit Fees	150,000	150,000
Legal & Professional Fees	1,207,207	1,927,954
Loss on Disposal of Assets	Nil	19,345,598
Packing Material Consumption	1,638,473	2,684,479
Freight & Handling Charges	5,287,843	12,501,839
Advertisement & Business Promotion Expenses	637,634	725,056
Allowance for Doubtful Debts	1,066,120	Nil
Other Expenses	5,043,050	7,817,597
Total	**181,741,835**	**169,139,770**

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

Amount (In Rs.)

	YEAR ENDED 31-03-19	YEAR ENDED 31-03-18
I) As Statutory Auditors	150,000	150,000
II) Taxation and other matters	150,000	150,000

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Additional Disclosure requirement:

32. Financial Instruments

Financial Instruments Classification by Category

		As at 31st March, 2019	As at 31st March, 2018
Loans		5,839,420	65,787,148
Trade Receivables		133,788,477	134,426,782
Cash and Cash Equivalents		7,257,265	3,389,704
Other Financial Assets		6,450,910	6,450,910
Total Financial Assets		**153,336,072**	**210,054,544**

		As at 31st March, 2019	As at 31st March, 2018
Borrowings		490,906,226	440,866,133
Trade Payables		168,433,866	57,920,827
Other Financial Liabilities		3,612,890	6,815,037
Total Financial Liabilities		**662,952,982**	**505,601,997**

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

	31.03.19		31.03.18	
	Fair value	Carrying amount	Fair value	Carrying amount
Loans	5,839,420	5,839,420	65,787,148	65,787,148
Trade Receivables	133,788,477	133,788,477	134,426,782	134,426,782
Cash and Cash Equivalents	7,257,265	7,257,265	3,389,704	3,389,704
Other Financial Assets	6,450,910	6,450,910	6,450,910	6,450,910
Borrowings	490,906,226	490,906,226	440,866,133	440,866,133
Trade Payables	168,433,866	168,433,866	57,920,827	57,920,827
Other Financial Liabilities	3,612,890	3,612,890	6,815,037	6,815,037

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.

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33. 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	2018-19	2017-18
Opening Balance	118,507	129,639
Loss allowance measured at ECL	10,66,120	(11,132)
Closing Balance (As reported in Note 9)	**11,84,627**	**118,507**

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.

Maturities of financial liabilities as on 31.03.2019

Financial Liabilities	Within 12 months	After 12 months
Non-Derivative		
Borrowings (including current maturity of long term borrowings)	156,287,140	336,746,226
Trade Payables	168,433,866	0
Other Financial Liability	14,85,750	0

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33. 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	2018-19	2017-18
Opening Balance	118,507	129,639
Loss allowance measured at ECL	10,66,120	(11,132)
Closing Balance (As reported in Note 9)	**11,84,627**	**118,507**

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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Financial Liabilities	Within 12 months	After 12 months
Non-Derivative		
Borrowings (including current maturity of long term borrowings)	156,287,140	336,746,226
Trade Payables	168,433,866	0
Other Financial Liability	14,85,750	0

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Maturities of financial liabilities as on 31.03.2018

Financial Liabilities	Within 12 months	After 12 months
Non-Derivative		
Borrowings (including current maturity of long term borrowings)	329,158,266	113,666,133
Trade Payables	57,920,827	0
Other Financial Liability	4,856,771	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 2019 and 31 March 2018, the Company's borrowings at variable rate were mainly denominated in INR

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure (Amount in Rs.)

Particulars	31.03.2019	31.03.2018
Fixed Rate Borrowings	338,873,366	115,624,399

34. Capital Management

The Company's objectives when managing capital are to

- ✓ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ✓ Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:
Net debt (total borrowings net of cash and cash equivalents)divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

Particulars	31 March, 2019	31 March, 2018
Net Debt	485,776,101	439,434,695
Total Equity	53,762,655	37,346,800
Debt Equity Ratio	9.04	11.77

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

35. Income Taxes

Particulars	31.03.2019	31.03.2018
Current Tax	376,455	966,177
Deferred Tax	6,102,870	(32,619,425)
Total Income Tax Expenses (excluding deferred tax benefit on OCI)	6,479,325	(31,653,248)

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

Particulars	31/03/2019	31/03/2018
Profit Before Tax	22,872,575	(52,893,913)
Statutory Tax Rate (%)	26.00%	25.75%
Tax at statutory tax rate	59,46,870	(13,620,183)
Tax of earlier years	376,455	966,177
Tax effect on non-deductible expenses	156,000	159,494
Recognition of previously unrecognised deferred tax asset	Nil	(18,935,188)
Others	Nil	(2,23,548)
Tax Expense	**6,479,325**	**(31,653,248)**
Effective Tax Rate	28.33%	59.84%

35.1 Movement in deferred tax assets and liabilities

For the year ended on March 31, 2019 — Amount (In Rs.)

Particulars	As at April 1,2018	Credit/(charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	As at March 31 2019
Deferred tax assets/(liabilities)				
Property, Plant and Equipment	13,050,732	3,382,634	Nil	16,433,366
Unabsorbed Depreciation & c/f loss	19,883,738	(9,999,231)	Nil	9,884,507
Expense claimed for tax purpose on payment basis	128,972	153,284	(7,942)	274,314
Expenditure covered by section 43B of Income Tax Act, 1961	80,548	83,252	Nil	163,800
Allowance for Doubtful Debts	30,812	277,191	Nil	308,003
Total	33,174,802	(6,102,870)	(7,942)	27,063,990

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

35. Income Taxes

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Current Tax	376,455	966,177
Deferred Tax	6,102,870	(32,619,425)
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Others	Nil	(2,23,548)
Tax Expense	**6,479,325**	**(31,653,248)**
Effective Tax Rate	28.33%	59.84%

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For the year ended on March 31, 2019 — Amount (In Rs.)

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Unabsorbed Depreciation & c/f loss	19,883,738	(9,999,231)	Nil	9,884,507
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Expenditure covered by section 43B of Income Tax Act, 1961	80,548	83,252	Nil	163,800
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Total	33,174,802	(6,102,870)	(7,942)	27,063,990

SATISH JAIN & CO. DELHI Chartered Accountants

36. 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

	2018-19			2017-18		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue (Net)	802,885,944	0	802,885,944	746,299,305	0	746,299,305
Carrying Cost of Segment Assets	720,744,355	0	720,744,355	570,403,121	0	570,403,121

2. Information about Major Customers

2 (Two) customers (P.Y.: 3 (Three)) individually accounted for 10% or more revenue during financial year ending on March 31, 2019 and March 31, 2018

Particulars	2018-19	2017-18
Revenue from Top Customer	76%	55%
Revenue from Top 5 consumers	100%	95%

37. 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 (w.e.f. 1st October, 2018)
4. Shri Dhwanik Patel — Director (w.e.f. 20th August, 2018)
5. Shri Kapil Jain — Director (upto 20th August, 2018)

II. Holding Company (HC)

(i) Bodal Chemicals. Ltd.

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

(i) Trion Chemicals Pvt. Ltd.
(ii) AV Dyeing & Printing Pvt. Ltd.
(iii) SPS Lotus Textiles Pvt. Ltd.

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b) Transactions with related parties

Related party disclosure	Relationship	2018-2019	2017-2018
Remuneration			
Shri Vijayant Mittal	KMP	Nil	840,000
Shri Avinash Jain	KMP	Nil	540,000
Smt. Sonica Jain	KMP	Nil	Nil
Shri Kapil Jain	KMP	Nil	1,60,000
Loan Received			
Bodal Chemicals Ltd.	HC	444,951,507	73,861,142
Shri Rakesh Patel	KMP	18,360,000	327,200,000
Loan Repaid			
Bodal Chemicals Ltd.	HC	219,744,274	329,021,114
Shri Rakesh Patel	KMP	191,400,000	Nil
Sales of Materials			
Bodal Chemicals Ltd.	HC	606,697,767	406,897,616
Sales of Other Materials			
Bodal Chemicals Ltd.	HC	42,834	Nil
Interest Expense			
Bodal Chemicals Ltd.	HC	17,832,907	18,211,142
Purchase of Asset			
Bodal Chemicals Ltd.	HC	Nil	8,800,000
Purchase of Materials			
Bodal Chemicals Ltd.	HC	63,230,912	127,272,765
Related Party Balances as at the year end.			
Amount Payable			
As Unsecured Borrowings			
Bodal Chemicals Ltd.	HC	336,374,275	111,167,042
Shri Rakesh Patel	KMP	154,160,000	327,200,000
As Trade Payables			
Bodal Chemicals Ltd.	HC	Nil	20,586,113
As Trade Receivables			
Bodal Chemicals Ltd.	HC	16,083,135	Nil
As Advance to Supplier of Goods			
AV Dyeing & Printing Pvt. Ltd.	Enterprise	65,500,000	Nil
As Advance Received from Customers			
Bodal Chemicals Ltd.	HC	Nil	23,473,367

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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38. Earnings per Share

	2018-19	2017-18
Net Profit/(Loss) after Tax as per statement of Profit and Loss (Rs.)	16,393,250	(21,240,665)
Weighted average number of Equity Shares	162,334	162,334
Basic and Diluted EPS (Rs.)	100.98	(130.85)
Nominal Value per Share (Rs.)	10	10

39. Employee Benefits

Defined Contribution Plan

Particulars	2018-19	2017-18
Employer's contribution to Provident Fund	377,504	526,474
Employer's contribution to E.S.I.C.	382,674	398,755

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 2018

Balance sheet disclosures

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

Particulars	31.03.2019	31.03.2018
Liability at the beginning of the period	4,96,047	1,14,428
Interest Costs	37,896	8,223
Current Service Costs	5,51,657	1,75,962
Past Service Costs	Nil	32,384
Benefits paid	Nil	Nil
Actuarial (Gain)/Loss on obligations due to change in		
- Demography	Nil	Nil
- Financials	6,973	(30,763)
- Experience	(37,520)	1,95,813
Liability at the end of the period	10,55,053	4,96,047

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(b) Movements in the fair value of plan assets

Particulars	31.03.2019	31.03.2018
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	31.03.2019	31.03.2018
Fair value of plan assets at the end of the period	Nil	Nil
Liability as at the end of the period	10,55,053	4,96,047
Net (Liability)/Asset	10,55,053	4,96,047
Non-Current Portion	10,52,270	4,94,703
Current Portion	2,783	1,344

(d) Balance Sheet Reconciliation

Particulars	31.03.2019	31.03.2018
Opening Net liability	4,96,047	1,14,428
-Expenses recognised in the statement of consolidated P&L	5,89,553	2,16,569
-Expenses recognised in the consolidated OCI	(30,547)	1,65,050
-Employer's Contribution	Nil	Nil
Amount recognised in the Balance Sheet	10,55,053	4,96,047

Profit & Loss Disclosures

(a) Net interest Cost for Current period

Particulars	31.03.2019	31.03.2018
Interest Cost	37,896	8,223
Interest Income	Nil	Nil
Net interest Cost/(Income)	37,896	8,223

(b) Expenses recognised in the consolidated profit & loss

Particulars	31.03.2019	31.03.2018
Net Interest Cost	37,896	8,223
Current Service Cost	5,51,657	1,75,962
Past Service Cost	Nil	32,384
Expenses recognised in the consolidated profit & loss	5,89,553	2,16,569

(c) Expenses recognised in the consolidated Other Comprehensive Income

Particulars	31.03.2019	31.03.2018
Remeasurement		
Expected return on plan assets	Nil	Nil
Actuarial (Gain) or Loss	(30,547)	1,65,050
Net Income / Expenses recognised inOCI	(30,547)	1,65,050

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Sensitivity Analysis	31.03.2019	31.03.2018
Particulars		
Projected Benefit obligation on current assumptions		
Data effect of change in Rate of		
-Discounting by +0.5%	9,88,319	4,64,763
-Salary Increase by +0.5%	11,10,624	5,24,164
-Employee Turnover by +10%	10,43,323	4,83,778
Data effect of change in Rate of		
-Discounting by -0.5%	11,28,727	5,30,394
-Salary Increase by -0.5%	10,02,175	4,67,867
-Employee Turnover by +10%	10,67,151	5,08,314

Significant Actuarial Assumptions	31.03.2019	31.03.2018
Particulars		
Discount Rate	7.60%	7.65%
Salary Escalation	8.00%	8.00%
Attrition Rate	2-10%	2-10%

40. 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. Chartered Accountants DELHI

(Satish Jain)
Proprietor
Membership No. 91006

Delhi
May 16, 2019

For and on behalf of the Board of Directors

(Vijayant Mittal)
Director
Din:00317588

(Avinash Jain)
Director
Din: 00349685

Delhi
May 16, 2019